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The Nation's Business

How Will Issues Fare?
Mr. King Stands on His Record
Economy Out in Cold
Professors Have Say
Too Many Lawyers?
Holt Speaks for Tariff

HOW will the leading issues in the election campaign fare between now and election day? Mr. Meighen is talking competent administration and higher tariff. Mr. King is striving to make the constitutional issue the chief one in the campaign. As an anchor to windward, he mentions casually the record of the Liberal government in connection with income tax reductions, motor car price reductions and penny postage. Each leader is building his campaign exactly on the lines forecast in this column before either of them had delivered his key-note speech.

Will these be the big issues before the campaign has neared its end? The Conservative discussion on the revelations of the customs inquiry seems likely to carry through, especially if the judicial commission gets busy and uncovers any more striking evidence before election day. The King platform discussion of the dissolution question seems less likely to last, because too large a group in the Liberal party is opposed to its leader on his attitude. The Toronto Globe, for instance, representing the old Laurier school of Liberals, continues to differ with King and declares, in comment on King's key-note address:

"The voters would understand better, and would be more appreciative of an appeal for their franchise on such achievements as marked the Robb budget; the reduction in income tax, removal of receipt tax, reduction of sales and excise taxes, return to penny postage, and the tariff reduction which resulted in lower automobile costs."

* * *

IN THE ordinary sense of the word, Mr. King offers no platform as did Mr. Meighen. He promises a continuance of the policies of the past few years, which have, he claims, brought prosperity to Canada. Mr. King himself summarized the Liberal manifesto, when he recounted the budget changes and added:

"Add to all this a reduction in the national public debt and a balancing of the national budget over a series of years, together with an expansion of trade and a favorable balance of exports over imports unparalleled in the peace-time history of the Dominion and you have a record which has not been equalled by any government in Canada.

"This is a part of the record on which we make our appeal for the support of electors of Canada. We need not promise reductions in taxation, we have already given reductions; we need not promise prosperity — everyone knows that prosperity has returned and that, with a continuation of Liberal policies, prosperity has come to stay."

* * *

NEITHER of the political leaders is making national economy or reduced taxation a plank in his election platform. Meighen promises competent administration, which might be interpreted to mean economical taxation and which, in turn, would bring about reduced taxation. King talks about the tax reductions he put into effect and leaves the inference that if he were returned there would be more. But as straightforward, vigorously campaigned policies, economy and tax reduction are quite neglected. Such are the ways of politics. The man on the street thinks that politics are dominated by big business, and yet the chief demand of big business is given scant attention.

Confiscation of capital by homeopathic doses is the process under way in Canada, and capital in Canada means the mass savings of the people, though in Europe it means the inherited accumulations of generations. This country is appealing for capital from abroad, although we would have plenty of capital offering in Canada if it were not that a quarter of it is absorbed in high taxation, and the remainder of it frightened by high taxation. It is roughly estimated that Canadians work three months in the year to pay taxes.

* * *

THE FINANCIAL POST recently referred to the great weakness in British politics to-day as being too much argument and too little action; the result of there being, in all spheres of public life, too few practical self-made men, and too many rich men's sons, too many briefless barristers and other super-educated and idle rich. A writer in the English Review touches on a phase of this as it related to the recent strike. He dealt particularly with the lesser public men, mayors, town clerks, parish clergy, who, instead of regarding the situation as one which demanded practical action, looked upon it "as if the national emergency were a mere debating society topic."

In our present situation in Canada, this seems to be exactly what is hap-

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SPENDING FOUR MILLIONS FOR OIL HUNT ON PRAIRIES

Thirty Well Sponsored Operations in Turner Valley Alone

THEORY INTERESTING

Deeper Wells on Side of Formation May Escape Gas and Get Crude Oil in Quantity

By D. E. CUSHING,
Staff Editor, The Financial Post.

There are fully thirty well sponsored concerns either drilling or going to drill in Turner Valley and near-by oil fields in Calgary district. Each will expend $100,000 or more. In Wainwright Field another dozen are operating or preparing to drill. Their expenditures will be around $30,000. These figures involve the actual equipping and drilling costs only and make no provision for lease or surface costs. These are the two main fields. Taking in the other scattered drillers, from Peace River to the boundary and the Rockies east into Manitoba, the actual expenditure in drilling operations, now under way, will total at least $4,000,000.

It is an impressive sight to stand on the first ridge of the Rockies' foothills, approaching it from the northwest and gaze at the numerous derricks, rearing in hit and miss fashion, for the length of what promises to become the famous Turner Valley. I was fortunate in having along a very practical oil executive, hard-headed and at one time said to have been hard-fisted. His description made the little knowles or bumps in the formation stand out like one of the mountains. He pointed to the various features which enabled the geologists and experienced oilmen to visualize an oil pool stagnant, waiting to be tapped, at some depth beneath. He gave a word picture of the "trap" as the oil men call it, where the oil is held. It is not a basin. It is a body of limestone, porous enough to receive oils that have been carried down from the mountains by underground streams. The oil, carried into this porous limestone, technically referred to as Dolomite, halted and the waters went on. He could positively explain why McLeod and Royalite had encountered a heavy gas pressure and a refined oil. He knew just why Vulcan and others, nearer the outer edge of the fold or anticline, were going to get crude oil.

On Crest of Dome

Royalite 4 is on the east side of the top of the fold and McLeod, about three-eighths miles south and west, is on the west side of the crest. Over the period of years that the oil has been gathering in this pool, or trap, the light oils and gasses have moved to the top, the heavier oils holding to the bottom. The two producers have encountered the top of the pool, hence the gas and the refined or lighter oils. He was quite emphatic in asserting that could these two operators combat the tremendous gas pressure and push on through it, they would get crude oil. He waited impatiently, he said, but without any doubts as to the outcome, to see wells drilled deeper down on the sides of the fold, where the heavy gas pressure will be missed. These, he was sure, would some in as very large producers of crude oil.

Thus do I pass on to readers a brief but interesting theory of the

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MORTGAGE INTEREST PAYMENTS ALL MET

Winnipeg Firm Says Situation is Best in Past 15 Years

Conditions in Western Canada are improving rapidly. The outlook is regarded by Westerners with the greatest optimism. They see an excellent situation if the present indicated crop comes off without setbacks. A great deal of important building is going on. Winnipeg, Regina and Calgary are examples. One Winnipeg firm, which handles a large number of Winnipeg mortgages, states that mortgage interest payments are the best in 15 years. They have no collection problem. Not an interest payment is in arrears. Real estate is not moving, but much money is going into the erection of new homes. Last April Calgary had many vacant houses but in the interval these have been taken up and several hundred new homes are now in course of construction.

Flin Flon Option Now Likely to be Taken Up

The heavy buying of Mining Corporation of Canada shares is explained by the announcement from President J. P. Watson to the effect that those who have the Flin Flon copper-zinc property under option intend to carry on further investigations. These will result in the erection of a small pilot smelter and involve the expenditure of a large sum. By many this is taken as practically meaning that the option will be concluded, as the pilot smelter can be readily turned into a unit of a much larger operation. Active mining operations on the property are likely to proceed at once.

Big Distilleries One by One Change Their Ownership

Announcement that a syndicate has taken an option on the distillery of Hiram Walker and Sons at Walkerville, Ontario, calls attention to the gradual change in ownership of all the larger Canadian distilleries. It is understood that it is a Scotch syndicate that is buying the Walker business.

A few years ago the Gooderham and Worts distillery in Toronto was sold by the Gooderhams to a new group, and the stock was put in trading on the Toronto curb to get wide distribution among the public.

About three years ago, the Canadian Industrial Alcohol Company, which controls the famous Corby distillery near Belleville, was listed in Montreal, the purpose being to get wide distribution for the stock which had been almost exclusively held by Sir Mortimer Davis, but which is now scattered among many hundred shareholders.

Rumor has it that negotiations are on in connection with the distillery of Joseph E. Seagram and Sons at Waterloo, Ontario. A new group is said to have made an offer for the property. This business was founded in 1883 by the late Joseph E. Seagram when he took over the Ross and Company at Waterloo. On his death in 1919, most of the stock went to his son, E. F. Seagram, two other sons, T. W. and N. W., also inheriting blocks of stock.

Purchase of these distilleries is said to be backed by confidence in a wet future for Ontario, and in a general relaxation in prohibition laws in force in different parts of the continent. Willingness of former owners to sell is in most cases dictated by the growth in recent years of their activities in other directions, coupled with very attractive offers now being made.

Mortgage Company to Turn to Foreign Bonds

Finding investments in foreign government securities more satisfactory from the standpoint of profits than mortgages in Canada, one of the old, conservative Canadian mortgage loaning institutions will, The Financial Post understands, change its field of operations. For some years, with rising rates of British funds and lower rates obtainable on mortgages, and with government interference through legislation and actual competition, some of the straight mortgage companies have found it difficult to make satisfactory profits. The company referred to, will, it is understood, dispose of its mortgages to one or more of the larger companies better situated from the standpoint of overhead expenses and use the funds in the purchase of securities, including those of foreign governments, which are returning a better rate on the investment.

70,000 SILVER FOXES REGISTERED

Close to 70,000 pedigreed silver foxes have been registered by the Canadian live stock records since the inauguration of the work in 1919.

115,000,000 Potential Tourists for Canada Across the Line

By H. M. CAMERON, Staff Editor, The Financial Post.

NEW YORK.—How is business in Canada? Who will win the elections? Did the governor-general violate the constitution? These are some of the posers handed out to me by New York and Boston business men, with characteristic snap, when I stepped into their offices. Their interest was in all cases genuine.

This keen friendly interest in Canadian affairs emphasized two facts. One is worn threadbare by too much repetition—the strategic part Canada plays as interpreter between the two great English-speaking nations. The other has more immediate significance—the actual material possibilities involved in this friendship and confidence. Their capital is available as we want it. Their touring proclivities mean potential millions to Canada each year. They are waiting for us to take our tourist business seriously and really advertise our scenic and climatic grandeur to the world. Many of those with whom I spoke, mainly business men and professors, were planning fishing trips to our north. Some of them have summer homes there. Several expressed amazement that we are so modest and non-commital with regard to this great asset.

Business in the States

When a pause came in the queries, I retaliated by asking a few questions about the probable business trend in the States during the second half-year. Invariably the opinion was that present favorable conditions will continue—on probably a slightly lower scale. In this, business and academic men alike concurred. They pointed to the stock market as evidence.

A nationally known economist, Dr. Patterson, of the University of Pennsylvania, pointed to the benefit accruing to business from recent tax reductions. He felt that Canada should soon put itself in a position to reap the benefit of similar changes.

Dr. H. Parker Willis, editor of the New York Journal of Commerce, had just returned from Russia where he had been studying conditions. He seemed strongly convinced that the United States government should immediately recognize the Soviet government in order to build the foundation of future trade. Britain and other European countries are now getting into Russia in a large way, he pointed out, while America holds back. "We do not refuse to trade with Turkey because of polygamy," he added.

Overseas Trade Openings

L. W. W. Morrow, managing editor of the Electrical World, who had recently visited Russia in connection with engineering projects and power development, told me that he was im-

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American and British Protective Tariffs Cut off Canada's Markets for Farm Products and Manufactures

British Hosiery Market Cut Off

Up to the middle of 1925 Canadian manufacturers of textiles had been developing a nice market in Great Britain for silk hosiery. This evidently attracted the attention of the British textile companies with the result that influence was brought to bear on the government and in July, 1925, a duty of 33 1-3 per cent. was imposed with a preference in favor of Canada, as a British dominion, of only one-sixth. This new tariff had the effect of practically putting Canada out of the English market, Canadian manufacturers finding it very difficult to compete with British makers enjoying such a substantial measure of protection, except where style and quality count rather than price. The small preference of one-sixth gives Canadian manufacturers no real advantage over American manufacturers.

Effect of Tariffs Seen in Drastic Reduction in Exports

CATTLE AND WHEAT

Many Millions Lost on These—Big Reduction in Flour and Potatoes — Total Cut $150,000,000 to $50,000,000

From Our Own Correspondent

OTTAWA. — Striking evidence of the part played by tariffs in influencing industry is furnished in a return recently prepared by the Dominion Bureau of Statistics in regard to exports of Canadian farm products to the United States. On May 27, 1921, there was brought into force in the United States what was known as the "emergency" tariff. This heavily increased duties on Canadian farm products and it has been maintained in effect substantially in the same form ever since. Since the enactment of the emergency tariff, the Bureau of Statistics has published periodical reviews of the state of the Canadian export trade in farm products to the United States, and the latest of these brings the situation up to date to the end of June.

The value of Canadian farm exports, according to this statement, has dropped in the four years under review from $150,128,284 to $50,405,220 for a period of nine months. It is true that all Canadian farm exports have not been hit to the same extent; but nearly all of them have been heavily hit. A survey of the return referred to gives no less than nine classes of products in which there have been heavy declines, while the number in which there have been sizable increases in only four. The situation may be presented in tabular form at exports for the nine month period ending with June in the year indicated at the head of the column:

Commodities		1921	1926
Cattle	No.	216,017	127,673
	$	14,618,303	3,788,766
Sheep	No.	123,453	27,939
	$	1,106,979	219,721
Oats	Bush.	2,693,882	426,042
	$	1,309,227	185,261
Wheat	Bush.	46,730,727	8,572,868
	$	97,639,986	11,715,387
Wheat Flour	bbl.	1,240,982	14,811
	$	21,100,531	104,898
Beef (fresh,	Cwt.	204,734	99,177
chilled or frozen)	$	2,937,357	1,280,691
Mutton & Lamb	Cwt.	49,940	18,054
(fresh, chil., froz.)	$	1,042,130	444,360
Butter	Lb.	1,581,370	362,688
	$	767,709	145,836
Cream	Gal.	765,279	2,409,174
	$	1,187,245	4,189,764
Milk (fresh)	Gal.	882,017	2,917,433
	$	241,576	586,581
Potatoes	Bush.	2,240,997	4,866,764
	$	1,626,649	7,350,093
Hay	Ton	65,993	376,780
	$	1,398,289	3,572,586
Wool	Lb.	6,205,212	4,480,403
	$	1,534,129	1,594,574

The items shown above are taken from a larger table prepared by the bureau. They include the articles in which the larger changes have taken place. As will be observed, there are only four instances—cream, milk, potatoes and hay—in which considerable increases have occurred; and in all these items, there have been spe-

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Some Binders Are Already at Work on West's Crop

A small amount of cutting has already started in the West. South of Calgary a few binders are at work and also along the Goose Lake line of the C.N.R. Next week cutting should be general as the weather last week end was such as would make the crop ripen rapidly. A great deal of new breaking is going on and while this year's acreage in crop is larger than 1925, the sumer fallow acreage is very large.

Canadian Exposition in New York Pushed by Big Fair Promoter

Canadian Government Refuses to Give Official Recognition to Show Promoted by Professional Exposition Worker

STRONG NEW YORK COMMITTEE FORMED

The other day a brief announcement came out in the New York Times of the committees for the Canadian Exposition scheduled to be held in New York in 1927. The list looked like a cross section of the Blue Book of the Four Hundred and included the names of men and women known around the world, although most of them were residents of New York. Opinion is expressed that the committee jobs granted to New York's business, financial and social leaders are purely honorary. The big Canadian show for New York is another evidence of the growth of the exposition business which has advanced to take its place along with the convention business as a development peculiar to modern business.

The Canadian Exposition has not yet been granted the beneficent smile of the approval of the Dominion government. It is not like the Canadian National Exposition, Toronto, which is the creative effort of official and semi-official bodies, working together, nor like the Philadelphia Sesqui-Centennial, which has city, state and federal backing. It is a private business enterprise prompted by a professional exposition maker, who is trying to put the fair across for the money he can make out of it. That is the way many such expositions are handled these days.

Promoted by Show Expert

This promoter of shows and fairs is Charles Wendell. He is the type of super-publicity man, who has found in modern business a place for his services. Back before the war, he started a company called the United Expositions Company to stage trade shows. He has been the man behind many such affairs, that have, to all outward appearances, been the spontaneous efforts of public or trade bodies. Recently, he ran the Florida Exposition on the steel pier at Atlantic City; he went to Holywood and put on a big fashion show; and did the same in Chicago; he staged a Cuban Exposition in New York. These are merely examples from a long list.

Wendell saw that Canada was not properly advertised in the United States. He conceived the idea of a big Canadian fair in New York. Finally his plans crystallized into the suggestion to take a floor or two in one of the big downtown hotels; to arrange displays of Canadian natural resources to show the industrial, tourist and other opportunities in Canada; to sell space to Canadian railways, manufacturers and others interested in American trade, American capital or American people; run an exposition for about one week, charging an admission fee to the public. The date chosen was some time next winter.

Charge Big Fee for Space

Wendell would organize committees, get free publicity in papers all over the continent; arrange for big bugs such as the mayors of Toronto and Montreal, and some one from the various Dominion and provincial governments to come down and press the opening buttons, unveil displays and do the other flag waving stuff. He would make his money by dividing up the exposition floor into a number of small booths and renting these to Canadian manufacturers at so much a booth—probably about $5 a square foot for the week being asked. To really put the show over it would be

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Dunlop Preferred Stock Will Soon Stand First

When the outstanding bonds of the Dunlop Tire and Rubber Goods Co., Ltd., amounting to $147,500 are paid off as they fall due March 1, 1927, the comparatively small issue of $600,000 of preferred stock will be in a very attractiye position being the company's first obligation to the investing public. The bonds will be paid off out of sinking funds started in 1923 for this purpose. The common stock outstanding amounts to $4,962,500.

The company is doing a very satisfactory volume of business which reflects improved conditions throughout the country. However, the situation as regards raw materials has been unsettled and this and keen competition have been factors bearing directly on profits. Prices have now reached a level where greater stability is promised and with a good volume of trade earnings should be on a more satisfactory basis.

Moore Companies Experiencing General Business Improvement

Much improved business conditions throughout Canada, as compared with a year ago, in the various industries in which the companies forming the Moore group are engaged, is reported by these companies, which include the F. N. Burt Co., Pacific Burt Co., Wm. A. Rogers Co., American Salesbook Co., and the Gilman Fanfold Co. The improvement referred to has been noted throughout the year; it is moderate, but highly satisfactory. It is expected that it will continue, with the favorable harvest now in prospect. In the United States the Moore companies have, during the past two months experienced a substantial improvement in the amount of business being handled. This followed a moderate slump in activity which came about the end of the first quarter, but was of short duration. The prospects now are that American business will continue active until the end of the year at least.

Following is a summary showing the market record for the current year and last year of the various Moore companies:

	1925 High	1925 Low	1926 Open.	1926 High	Pres.
Am. Sales. com.	61	38	64	70	65
Do. pref.	95	88	94	98	93½
Burt, F. N. c.	67	44	62½	67	56
Gilman Fan. c.	108¼	80	105	126	126
Do., pref.	116	100	114	125	125
Pac. Burt, c.	96	87	90⅝	110	93½
Do., pref.	107	100½	102	110	104½
Rogers, W. A. c.	65	48	45	67	60
Do., pref.	95	88	92	97	93

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Abitibi Paper	6	Goodyear Cotton	11
Alabama Power	7	Hamilton Dairies	5
Am. Salesbook	1	Loblaw	7
Asbestos Corp.	4	Loew's London	4
Barcelona	5	London Ry.	13
B. C. Electric	7	Maple Leaf	7
B.C. Fishing	7	Massey-Harris	4
B. C. Pulp	4	Mercury Mills	4
B. E. Steel	4	Monterey Ry.	7
Brazilian	5-7	Montreal Power	5
Brompton	4	Nat. Grocers	11
F. N. Burt	1	N. Mexico Power	7
Canada Biscuit	7-12	N. Ont. Pr.	5
Can. Canners	7	Ont. Steel	4
Canada Dry	7	Pacific Burt	1
Can. Pacific	5-16	Page-Hersey	4
City Dairy	7	Port Alfred	12
Cockshutt Plow	4	Wm. A. Rogers	1-11
Detroit United	5	St. Lawrence Pulp	6
Dodge Bros.	3-16	St. Maurice	6-12
Dom. Power	7	Toronto, Bank	15
Duke-Price	7	Toronto Ry.	11
Dunlop Tire	1-11	Twin City Ry.	7-11
Eng. Electric	11	Wayagamack	12
Fraser Cos.	6	West. Lumber	5
Gatineau Power	12	Western Gas	7
Gilman Fanfold	1-5	Winnipeg Ry.	7
MINES			
Area	9	Kirkland Gold	8
Boischatel	8	Mining Corp.	8
Central Man.	9	Marclay	8
Don Rouyn	8	Peterson Lake	9
Duprat	9	Rouyn-Boischatel	8
Hattie	8	Smelters	8
Keora	8	Sullivan	9

The Trend of Business and Industry

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

The Background of Canadian Business

WEEKLY REVIEW OF CONDITIONS

Business Improvement is Localized
Eastern Farmers Are Diversifying Their Products
Canada Becomes More Self-sufficient
Steel Active, But Textile Mills Still Quiet

One feature of the business improvement in Canada that has not been widely noted is its localized nature. There has been no steady uniform trend in all parts of the country. Some sections have improved rapidly; others have improved very little. Much has been heard of the theory that purely industrial sections have been backward. This is not the whole truth. Some industries have been thriving right through the difficult period, while corresponding industries in other localities have been at a standstill. The explanation is not immediately apparent nor is it necessary for purposes of review. Some outstanding examples have been reported of keen activity and slackness in adjoining districts. To say that one province is prosperous and another not, is grossly inadequate. There is more difference between different districts in each individual province than between any two of the provinces. This is reflected in the volume of sales, say of automobiles, in different sections of the country. It is a situation which is becoming more and more characteristic of business in Canada and is necessitating a closer study of actual conditions in the various sections.

Eastern Farmers Diversify

Much is heard of the diversification movement in western farming, but less about a corresponding movement in the east. One need only motor a few miles along any of the main highways and observe the multitude of small retail stalls where fruit, vegetables and almost all other farm products are marketed to the motorist, to realize to what extent the eastern farmer is branching out. Five or ten years ago the farmer who produced cut flowers for city consumption was rare. To-day some member of the farmer's family is retailing some farm products from early summer until the freeze-up. Naturally, the operations of the farm must be widened sufficiently to produce all of these products. The prosperous farmer of Eastern Canada to-day has a much wider variety of products than he had a decade ago, and he is marketing his products to better advantage and with less effort. All this is making the Canadian farm vegetables and fruits more popular with the consumer and thus rendering us more independent of foreign grown products of this nature. It is also putting farming on a more remunerative basis, and this—all will agree— is a potential aid to business. The movement altogther is an important one.

Self-sufficient in Other Lines

While our imports have shown a disposition to increase gradually just as exports have, we are becoming more and more independent of the United States and other countries in a number of lines. In our relations with the States, our imports last fiscal year were nearly $100,000,000 more than the year before, but the proportion of our imports, in relation to total consumption, is growing smaller. During the period in question, one of the largest increases in imports was made by the farm products group. Larger quantities of early fruits, for example, are purchased annually from the States, as Canadian purchasing power expands. These increases in imports are more than offset by the expansion in exports. In the basic lines, Canada is becoming more and more independent of foreign products.

Basic steel and other lines have held up remarkably well during the summer months. New business in the steel industries is making a good showing for July. Most of the large plants, producers and consumers, report business in excess of that of a year ago. There is some slowing down, of course, in the volume of production, from that of the spring months, but such is to be expected at this time of year. The output of pig iron in Canada during the first half-year was 370,864 tons as compared with 290,892 first half of last year. Cumulative production of steel ingots for the half-year was 431,184 tons against 423,697 tons first half of last year.

The textile mills are not so active. According to the monthly bulletin of the Canadian Woollen and Knit Goods Manufacturers' Association, out of 73 mills replying to a questionnaire, 60 were operating and 13 were closed down or had gone out of business. Most of these 60 were working only on a part time basis. "Owing to the uncertainty of continued employment, part time wages, the shortage of work, the industry is losing its skilled help and the United States is benefiting. One of the larger mills reports that since January 1, 1924, over 533 trained employees have left them and had to be replaced from time to time as necessary, with untrained people, because skilled workers did not want to or have to remain in a country where employment conditions were so precarious and unsatisfactory."

Shipments of Furniture Increase 16.62 Per Cent.

Furniture shipped by 51 furniture factories in Canada during the first six months of the year showed an average increase of 16.62 per cent. over the first six months of 1925, calculated in money value. The 1925 half-year period was 11.70 per cent. ahead of the first half of 1924. These figures, issued by the Furniture Manufacturers' Association, cover the bulk of the larger Canadian plants and are therefore representative. Orders for June this year are 12.65 per cent. larger than those of last June, and June shipments were 11.27 per cent. above those of June, 1925. The amount of unfilled orders at the end of June, 1926, are equal to one month and five days' shipments of the quantity represented by June shipments. Actual orders received during the first six months compare thus with those received for the corresponding months of last year:

January	48.8 %	increase
February	22.26%	increase
March	14.14%	increase
April	2.74%	decrease
May	28.4 %	increase
June	12.65%	increase

Similar statistics will be presented from time to time in these columns.

Kraft Pulp Exports Show Large Increase

From Our Own Correspondent.

MONTREAL.—The export figures on pulp and pulpwood during the month of June are, in the main, satisfactory. Kraft pulp shows a handsome increase, whilst the gains made in the amount of bleached sulphite pulp exported have been more than offset by the losses in the unbleached variety. Mechanical pulp exports, on the other hand, have increased materially whilst the exports of pulpwood continue to show a decline as compared with last year.

The export figures follow:

Kraft Pulp	100 pounds
June, 1925	231,581
May, 1926	255,121
June, 1926	286,161
Year ending—	
June 30, 1925	2,717,277
June 30, 1926	3,243,940
Bleached Sulphite Pulp	
June, 1925	326,280
May, 1926	288,137
June, 1926	396,075
Year ending—	
June 30, 1925	3,534,470
June 30, 1926	3,851,702
Unbleached Sulphite Pulp	
June, 1925	500,250
May, 1926	429,025
June, 1926	393,450
Year ending—	
June 30, 1925	4,832,923
June 30, 1926	5,488,346
Mechanical Pulp	
June, 1925	557,153
May, 1926	413,039
June, 1926	736,672
Year ending—	
June 30, 1925	5,935,658
June 30, 1925	7,572,789
Pulpwood	Cords
June, 1925	134,062
May, 1926	63,703
June, 1926	128,062
Year ending—	
June 30, 1925	1,419,200
June 30, 1926	1,279,968

Canadian Business Indicators

Compiled weekly by The Financial Post

	1926	1925
Car loadings—Week to July 17	60,349	51,116
—Year to date	1,605,021	1,427,433
Merchandise shipped	17,125	445,068
Building permits—June (49 cities)	$ 71,060,835	$ 59,251,588
Construction contracts awarded, June	$54,186,000	33,230,000
Railway Earnings—5 months, C.P.R. gross	69,693,817	61,691,172
—5 months, C.P.R. net	11,129,583	6,213,195
—5 months, C.N.R. gross	98,685,109	87,339,081
—5 months, C.N.R. net	12,915,582	4,174,721
Pig Iron production—June tonnage	70,854	45,883
Steel Ingot production—June tonnage	81,277	63,140
Six months to June 30	410,603	413,891
Newsprint production—May tonnage	153,969	130,013
Employment—June index (5,907 firms)	1,010	945
Immigration—4 months to May 31	39,442	21,776
Business failures—No. of firms, May	120	160
—Liabilities, May	$ 2,065,385	$ 3,375,485
Imports of key commodities, 12 mo. ending May		
Rubber	$38,063,248	$ 15,029,194
Cotton	$27,539,726	$ 25,950,375
Crude petroleum	$30,813,347	$ 23,766,219
Exports of Key Commodities—Canned Salmon, May, (lbs.)	1,303,000	2,019,000
—Cheese, May, (lbs.)	3,280,000	3,372,000
—Newsprint, May, (tons)	135,251	115,766
—Wheat Flour, June, (bbls.)	1,029,490	596,001
—Wheat, June, (bus.)	9,918,315	9,354,355
Grain Receipts, August 1 to July 16	$ 394,537,626	$ 255,095,564
Bank Clearings, June	$1,463,784,765	$1,236,290,649
Savings Deposits, May (chartered banks)	$1,334,842,107	$1,259,879,335
Current Loans, May, (chartered banks)	$ 926,508,698	$ 909,091,414
Exports, 3 months to June 30	$ 269,695,281	249,729,117
Imports, 3 months to June 30	$ 245,366,679	210,516,688
Balance of Trade, 3 months to June 30	$ 24,328,602	39,212,429
Price level, June index, 236 commodities	155.7	158.6
Wheat prices, No. 1 Northern, Winnipeg, (July 26)	1.60	1.64
Cattle prices, good, Toronto, (July 26)	7.25	7.34
Hog prices, select, Toronto, (July 26)	14.25	13.85
Pig iron (No. 1 foundry)	25.80	....
Bond sales, June.		

RAIN IS NEEDED BADLY IN MANY PARTS OF WEST

Wheat Cutting Will Start Latter Part of Next Week

The binders will enter the wheat fields of Western Canada late next week. Drouth has been severe in many sections within the past fortnight and there has been some damage from hail. Apart from this, conditions remain approximately unchanged with the outlook in general quite gratifying. Arrangements have been made to transport large numbers of harvesters to the West to help with the crop. It is feared that a shortage may exist in some sections as there is little surplus labor in any part of Canada.

With regard to conditions in Saskatchewan, the most important wheat area, the Provincial Government wired The Financial Post that the weather generally has been hot and dry during the last two weeks, with some scattered showers. In the western and the north eastern parts of the province rain is badly needed to help the crops, especially stubble crops, and crops on light land. In the eastern part of the province crops have received more moisture and are generally promising. The heat has hastened the ripening process and it is generally expected that if present weather conditions continue, harvesting will begin in the south early in August and become general all over the province by the middle of the month. There have been hail storms in many parts of the province, doing some damage to crops, but there has been no damage from any other agency except drought and hot winds. Fall rye cutting has commenced in the majority of the districts of the province. Pastures are getting bare in some districts, but stock generally is in good condition.

With the exception of a fairly limited stretch of country in the southern part of Alberta, the province will reap a good average wheat crop this year, probably close to 100,000,000 bushels. Most of the wheat is in head and much of it is colored. The irrigated section of the province is somewhat later, but is producing an excellent sample. In the southwestern districts almost a bumper crop will be reaped. Farther north there has been some dearth of moisture as is the case elsewhere in the province, but the general outlook is excellent. Alberta's yield last year was 102,955,000 bushels valued at $112,208,000, and the average yield 1922-24 was 90,374,000 bushels with a value of $72,583,000. Unless general rains are received soon, there will be heavy loss from drouth.

It is in Manitoba that cutting will commence first. Although many sections of this province have suffered from hail, damage to the crops has been limited. Generally speaking, conditions remain the same as a week ago, and the outlook is satisfactory. Manitoba's wheat yield last year was 39,453,000 bushels valued at $46,555,000 and the average 1922-24 inclusive was 45,773,000 with a value of $41,748,667.

In the eastern part of Canada as well as on the Pacific Coast, prospects are very satisfactory. Wheat is being cut in Ontario and a fair yield is anticipated. The fruit crop is better than was indicated by earlier reports.

Record Output of Motor Cars Expected

During the first half-year the motor industry in Canada and the United States established a new high record in production. The output was 2,449,184 cars and trucks of which 2,176,281 were passenger cars and 272,903 were trucks. For the first six months of 1925 the output was 2,186,059. The automobile production has been on a sound and stable basis, and it is expected that the high basis of output will continue during the second half-year, making a new high record for all time in the year's total. Normally the second half of the year shows some recession as compared with the first six months and it is generally accepted in the trade that approximately 53 per cent. of the business is done in the first half, and 47 per cent. in the last half of the year. Output during the past four years was as follows:

	Output in first 6 mos.	Passenger vehicles	Commercial vehicles
1926	*2,449,184	*2,176,281	*272,903
1925	2,186,059	1,946,340	239,719
1924	2,054,982	1,852,137	202,845
1923	2,080,637	1,878,540	202,097

*Canadian output estimated for June.

West Makes Gain in Freight Cars Loaded

The trend of car loadings is still higher than that of last year. For the week ended July 17 there was an increase of nearly 1,000 cars. Grain increased 550 cars, miscellaneous freight 603 cars, and lumber, 236 cars. Other groups of commodities remained approximately the same. Western Canada was responsible for all of the increase, eastern loadings having fallen off marginally. The grand total of loadings for the year to date is 1,605,021 against 1,427,433, a gain of 12.4 per cent.

Imports Are Expanding Faster Than Exports

Trade figures continue to expand month by month. For the three months ending June 30, exports were $269,695,281 against $249,729,117 for the same period last year, and imports were $245,366,679 against $210,590,688. Continuing the movement which commenced early this year, imports have been mounting more rapidly than exports, thus wearing down the huge favorable balance of trade that Canada has piled up during the past two years. For the first quarter of this year, the Canadian favorable balance thus decreased by about $15,000,000. For the month of June, exports were $118,188,590 against $93,462,993 for June, 1925. Imports were $91,513,173 compared with $75,517,505.

Saskatchewan Will Become An Industrial Province

Moose Jaw.—Hon. T. C. Davis, Minister of Municipal Affairs in this Province, in an address here on the future, showed great manufacturing probabilities and conveyed the impression that the day was not far distant when Saskatchewan will be one of the industrial provinces. He pointed out that already the wealth of the province is no longer being imported, but is being produced within its boundaries, and the opportunities for young people are being recognized, and no longer do they hie themselves southward across the border in search of opportunities. With its agricultural and industrial resources such as they are, he estimated that in 21 years the province would have 2,000,000 population. He said the province had become more permanent than heretofore, and this feeling of permanency was giving the province a much more ambitious inclination.

The northwest of the province is admirably adapted to mixed farming, he said, and is rapidly being taken over. The east of the northern half of the province is a country rivaling northern Ontario for timber and minerals, and it would not be many years before the country would be delved into and the great value extracted therefrom. Placer mining in the northwest was also being developed by companies, and land had already been filed on.

Fishing possibilities in the north of the province, through which the Churchill River rushed laden with the finny tribes, were vast and beyond imagination by those in the south of the province. Lakes and rivers were filled with fish of every description and one million dollars' worth had been extracted from these bodies of water during the last year. Furs were also a great possibility which would be developed in the future, illustrated the speaker.

Potential resources of great value presented themselves at every turn in this vast north country, and with the opening up of this country electricity in potential quantity was to be found in the rushing rivers of the north. Coal possibilities, coupled with many ore pockets, had also been discovered, and a government survey was expected to bring to light many valuable parts of the north country waiting to be entered and their value extracted.

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MEXICO: City of Mexico — Avenida Isabel la Catolica No. 40; Guadalajara — Esquina Lopez Cotilla y Colon; Monterrey — Doctor Mier 116; Puebla — Avenida Reforma No. 106; Tampico — Calle del Estado No. 38 Oriente; Veracruz — Avenida Independencia No. 23

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Chicago's O.K. Upon Electrical Products Not Always Required

The complaint by British manufacturers that they are obliged to submit their electrical appliances to a test made by an American controlled laboratory in Chicago, before able to market their products in Canada, as dealt with in The Financial Post two weeks ago, has aroused considerable interest among Canadian manufacturers. The latter are not disposed to consider the situation as serious as do the British concerns.

One leading Canadian manufacturer stated to The Post:

"The Underwriters' Laboratories in Chicago is an auxiliary of the National Fire Underwriters of the United States and Canada, and that all Canadian companies who desire underwriters' approval of their electrical and fire apparatus must submit their goods for approval of the laboratories at Chicago.

"Naturally, we may feel at times that the tests applied to our goods may be severe, but we have confidence in these laboratories and believe they are absolutely impartial. I am inclined to the opinion that Canadian and United States standards in many lines are if anything higher than corresponding British standards and that might occasionally be a source of misunderstanding on the part of the British manufacturer.

"Of course, in addition to the Underwriters' Laboratory inspection, there is in Canada separate provincial inspection in all the provinces. In Ontario electrical goods must be submitted to the Hydro-Electric Power Commission, but their approval is not necessarily acceptable in other provinces.

"I understand there has been on foot for some time an effort to establish a central approval bureau for all Canada, which would undoubtedly meet with the approval of the manufacturers. It is doubtful whether the establishment of such bureau would in any way eliminate the necessity for the approval of the underwriters' laboratory. So far nothing has come of the effort to establish a Canadian central bureau."

Further evidence is shown in the matter by Hardware and Metal's current issue, which reports the following interviews with Canadian producers:

L. G. Maxwell, sales manager, Maxwell's, Ltd., St. Marys, Ont., manufacturers of electric washing machines and other lines, advised that this firm has had no difficulty in connection with approval of its appliances. Following is statement made by Mr. Maxwell: "No doubt, as pointed out, British manufacturers experience some difficulty in this regard, although we find that the Ontario Hydro-Electric Power Commission's approval on our lines is accepted throughout Canada very readily. This being the case we have not experienced any difficulties in this regard."

Douglas D. Findlay, of Findlay Bros. Co., Ltd., Carleton Place, Ont., stated: "We have never had any difficulty selling Ontario Hydro approved goods in other Canadian provinces. What does affect us, however, is the fact that many small contractor-dealers and electricians sell cheap American hotplates and appliances which have not been approved by the Ontario Hydro. It is impossible for us to meet the Hydro requirements and compete in price with these "tin-can" appliances. We are aware that the Hydro is continually trying to check up these people but the force does not seem adequate, or sufficient example has not yet been made of the culprits. Generally speaking we are gratified with the extent of our electric range and hotplate business. These articles seem to become more popular year by year, no doubt due to the fact that the price tendency continues downward and the supply of cheaper electrical energy is growing."

C. L. Culley, president Superior-Electrics, Ltd., Pembroke, Ont., in discussing the subject made the following statement: "We have never had any request from any part of Canada for any approval other than that of the Hydro-Electric Power Commission. Our goods are approved by the Hydro Commission of Ontario and this approval and our guarantee are accepted by all engineers and inspectors throughout Canada from Halifax to Vancouver."

F. D. Vickers, general manager Renfrew Electric Products, Ltd., Renfrew, Ont., stated that it would be of great assistance to Canadian manufacturers if the present standard used by the Hydro for Ontario could be adopted for the whole of Canada.

"At the present time our appliances being sold in Ontario have to pass the Hydro inspection," he continued, "but this is not true of the other provinces. The result is that while we make all our appliances to pass Hydro inspection whether sold in Ontario or elsewhere, there are many imported lines being sold in the other provinces and occasionally in Ontario where they get by with a lower standard and as a result with a lower price. It is not practical for any Canadian manufacturer to make two grades of appliances, one to pass the Hydro for Ontario as well as a cheaper grade for the other provinces where there is no such rigid inspection, so that if a Dominion act of some kind could be passed enforcing the approval of such a body as the Hydro, a lot of this cheap trash that is now being sold outside of Ontario would be eliminated and the volume of sales increased for the Canadian manufacturers.

It is our belief that there are appliances being offered for sale in Quebec and perhaps in the other provinces outside of Ontario, that have never been passed by the Chicago Underwriters, as they are not sufficiently well built to pass any inspection. Nevertheless they are being sold to the public who are not informed in these matters and this trade is being lost to the makers of better standard equipment."

The foregoing views would indicate, says Hardware and Metal, that Canadian manufacturers of electrical appliances are having no particular difficulty with the Ontario Hydro's approval on their product when sold outside of the province of Ontario, but in view of the fact that electrical inspectors of the fire underwriters have stated that such approval is not sufficient outside of Ontario, it is a question if some difficulty might not arise if the matter were brought to an issue. It would also appear that there is a great need for a Dominion-wide regulation governing approval of electrical appliances.

Dodge Brothers Earned $3.88 a Share on Common

Dodge Brothers, Inc., reports for six months ended June 30, 1926, consolidated net profit of $12,366,726 after interest, Federal taxes, etc., equivalent after dividend requirements on $7 preference stock to $3.88 a share earned on 2,434,563 shares of combined class A and class B common stocks. Net sales for the half year totalled $156,041,866, comparing with $17,045,569 in the first six months of 1925.

Surplus has been increased $9,435,476 this year through earnings, making a total increase in surplus since May 1, 1925, of $34,258,943, of which $14,981,498 resulted from debenture conversions and $19,277,445 from earnings.

Current deliveries at retail of passenger cars and trucks are substantially in excess of a year ago, and all present indications point to a satisfactory second half.

Textile Industries Dwindle Through Lack of Protection

Good Business and Useful Citizens Thus Driven From Country — Other Nations Realize Necessity of Protecting This Industry

Asked to make a thorough and unbiassed study of the woollen yarn industry in Canada, two students in economics at the University of Western Ontario, London, Reginald Hind and Melford Farley, found that the industry is losing ground, and the country suffering accordingly, through the fact that the wage levels abroad are lower than those in Canada, and existing protection is insufficient to take care of the difference. Their conclusions are here presented:

The building up and safeguarding of the wool, woollen and knitting industry is vital to the life of Canada. In the first place, Canada must have increased population usefully and profitably employed if the country is to prosper. The profitable employment of this increased population can be excellently taken care of by the introduction of extensive wool growing. This occupation can be carried on to great advantage in all parts of Canada, which is a fine sheep country. As it is now, Canada finds herself up against the serious economic problem of consuming more wool than she is producing. All classes of textiles can be successfully made in Canada and at reasonable prices. The building up of this indigenous industry would provide more work for more Canadians, more work to absorb immigration, more business and more people to bear the burden of taxation, and more tonnage for our railways to stop the unbearable drain of the annual deficits. It would also assist in checking the deplorable drift of bright young men and women from the rural towns to the great cities or to the United States by providing them with local, congenial employment. Now in order to prosper, this industry must have adequate protection from other countries. Great Britain can produce woollen yarns at a much lower figure than can Canada. This is not because the mills abroad are better equipped or because the workers and executives are more able and clever than are Canadians, or because the yarns are of higher quality —but because the workers abroad accept much lower wages and exist on a much lower standard of living, and therefore have the advantage of dumping on the Canadian market with little restraint. In Canada we have workmen's compensation laws, mothers' allowance laws, minimum wage laws, sanitary laws, factory acts, construction laws which provide for certain space requirements for each worker to protect health and life. All of these things cost money. Labor in Canada demands this measure of protection and decent employers are willing and anxious to give it. It is only fair that the latter be afforded sufficient protection to enable them to carry on under those conditions.

Should Have Raised Duties

It is claimed that instead of the duties being lowered in 1922 and 1923, they should have been raised in 1921, as was done in the United States and that adequate safeguards should have been established to deal with the effect of depreciated currency; for the reductions have resulted in placing the entire woollen industry in Canada in jeopardy, in making many mills work without profit, in making many mills work on part time, and actually closing down some mills and throwing others into bankruptcy. On the other hand if the bulk of the imported yarns had been made in Canada, employment would have been given to about twice as many operatives in the mills. The distressed condition of the industry and the consequent loss of employment to thousands of Canadians is indicated by the tremendous reductions in raw materials imported for further manufacture by Canadian wokers in Canadian mills and the continuation of the too heavy imports of manufactured goods made by workers abroad. As it has already been found out that the woollen trade of Canada has been crippled by the last two increases in the "British Preference," it is now high time that preference to the Mother Land be viewed from the standpoint of economics rather than from the standpoint of enthusiasm born of sentiment. Practically no competition whatever is offered by the United States mills.

Other Countries Used Protection

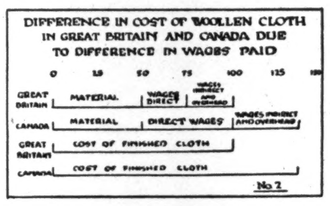
The woollen trade in France was built up by protection under Henry the Fourth. Similarly the woollen trades of England and the United States were safeguarded in their infancy by protective measures. Australia sees the need of this great tariff and is now taking steps to adequately protect her young woollen and knitting mills. Give Canada an adequate tariff, based upon the actual needs of its industrial development, and the capital will flow into this country like water flows down hill, and in its wake will follow all the immigrants that we can safely assimilate, as labor follows the job the world over.

In asking for reasonable protection, the woollen yarn industry in Canada is merely asking what has been found necessary in other countries. The history of how the English cloth trade was built up is evidence of what could be done in Canada. The history of the trade in France shows the effects of free trade theories in practice. Similarly the situation as regards the United States could be duplicated in Canada as our manners and standards of living, our ways of producing, and the costs are parallel to theirs. The tremendous success of the latter nation has been one of the wonders of the world. We can duplicate this success in Canada if we only set out with a determination to do so. We have been blessed with raw materials of every description, and with an incentive to be "up and doing" which would result from a policy of protection. Canada should be the Nation of the Twentieth Century.

LOWER WAGES ARE BRINGING IMPORTS BRITISH TEXTILES

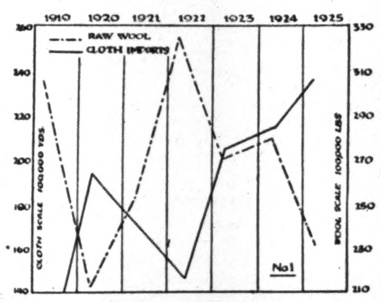
Need for Reasonable Protection of Canadian Industry Shown

Lower wages in the textile industries in Great Britain are largely responsible for the ability of the British producers to undersell the Canadian mills right in the Canadian market. Imports of finished cloth have increased steadily, and this increase has been immediately reflected in a decrease of raw wool retained in Canada for manufacture. On the other hand, a decrease in the imports of manufactured cloth during 1920-21, as shown in the chart, was immediately reflected in increased manufacturing in Canada. In 1922 when the amount of raw wool retained for manufacture was at its peak, and the imports of finished cloth were at their lowest, over 20,000,000 pounds of Canadian wool was used within the country. With the increase in imports of manufactured cloth and the decrease of wool retained for manufacture in Canada, the Canadian wool used in this country had shrunk to 9,500,000 pounds in 1925, showing that the import of cloth adversely affects the use in Canada of Canadian grown wool. The figures for the past six years have been approximately:



	Imported Cloth (Yds.)	Retained Raw Wool (lbs.)
1920	19,340,000	21,298,000
1921	16,752,000	25,238,000
1922	14,546,000	32,619,000
1923	20,337,000	27,012,000
1924	21,378,000	27,906,000
1925	23,886,000	23,030,000

A study of the wage scales in the two countries shows a substantial difference in the cost of production of a yard of manufactured woollen cloth, a sufficient difference to give the British producer a decided advantage. The relative costs are shown in the second chart.



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Question of How Far the Speculative Movement Will Be Carried

MARKET INDICATOR

	High	Low
20 Industrial Stocks		
Week of July 28	94.2	93.0
Week of July 21	94.5	93.2
Mth. of July, 1925	80.3	73.2
9 Bank Stocks		
Week of July 28	$225	$224
Week of July 21	226	224
Mth. of July, 1925	211	207
10 Public Utilities		
Week of July 28	93	92
Week of July 21	93	92
Mth. of July, 1925	90	87

The Canadian stock market, like Wall Street, has become a specialty affair. Certain of the speculative favorites develop spasmodic strength and score their advances, but there is no general forward movement of the market as a whole. On the other hand the recessions do not indicate any general desire to liquidate. Altogether it is a situation which must be regarded as generally satisfactory considering the summer season and the extent of the upward movement in recent months. Wall Street, which has continued to raise the general average to within a short distance of the high of early in the year, prior to big break, largely through the impressive performance of such leaders as U. S. Steel and General Motors, is supplying the chief influence in the Canadian markets for the time being. Otherwise there is little change in the situation, with generally satisfactory crop prospects and continued moderate improvement in business in most industries.

Looking ahead, the fact that prices are at a level attractive to the speculative rather than the investment element makes for a condition of uncertainty, and in such a situation Wall Street's influence is usually felt directly both sentimentally and because of the international nature of the trading between the two markets. It is felt by close students of the markets that a stage of distribution is again being entered upon. This does not mean that the top of the movement is necessarily at hand, because the extent of public participation promises to decide the limits of the rise as it usually does. Thus far the Wall Street advance appears to have been very largely professional. Should the public fail to participate—and that is possible in view of the high levels already reached and the fact that the last slump was so recent—a reaction may come at any time. On the other hand, the operations would appear to be in strong hands and, with prospects of a continuation of good industrial news, increased earnings and higher dividends, the bull movement may have considerable distance to go. It is evident, however, that the more conservative investors are now taking profits.

The Canadian market level is high, but not nearly so high comparatively as New York, to judge by the usual indicators. Thus the reaction in Wall Street, when it comes, need not necessarily affect Canadian prices to the same degree. Speculative influences are not usually felt in our markets to the extent that they affect prices in the United States. However, it is evident that it is a time to exercise more than usual caution and to give the preference to the securities of those companies which have shown ability to maintain reasonable earnings under other than the most favorable conditions.

Canadian Stock Changes

The paper stocks have shown a tendency to sell off moderately, following their recent upward movement. Brompton, Provincial and Wayagamack have been exceptions; a statement issued by President McCrea of the first mentioned has given a most encouraging complexion to that company's affairs.

Steel of Canada, with an advance to 104, has led the steel group. The strength of United States Steel has no doubt been a factor in arousing investment interest in this stock. Steel preferred has advanced with the common. Canada Forgings has also been bought. Massey-Harris and General Electric have been strong amongst the steel products companies.

Changes in the utilities and traction stocks have not been important and have been about equally divided between advances and declines. Montreal Power scored a substantial gain. Ottawa and Hull Power advanced impressively to 46. Duluth-Superior sold off 2½ points. Winnipeg Electric did better.

B. C. Fishing made a gain of about 3 points as a feature of the foodstuffs group. City Dairy was also an impressive performer in this group, selling up to 78 and then reacting to 75. Canadian Salt sold off to 125. There was no definite trend in the changes in the milling stocks.

Textile stocks made a good showing with several gains but changes in the general industrials were about equally divided. American Salesbook advanced 2 points. Gilman Fanfold moved up impressively to 126. Pacific Burt advanced to 95.

Following is a summary of the week's changes in the Canadian markets as affecting the various groups of securities:

	Gains	Losses	Unch.	Ttl.
Banks	5	4	..	9
Paper	3	8	4	15
Steel	8	6	16	30
Foodstuffs	8	12	18	38
Utilities	7	8	12	27
Tractions	3	3	8	14
Textiles	4	2	8	14
Industrials	9	8	30	47
Totals	47	51	96	194

BROMPTON'S MILL IS WELL UNDER WAY

To Produce Newsprint Before 1927?—Increased Earnings Might Justify Dividends

From Our Own Correspondent.

MONTREAL.—Construction of the new paper mill at Bromptonville by the Brompton Pulp & Paper Company is well advanced. The steel work is practically completed and the bricklaying will be finished within a week. The paper machinery will begin to arrive at the plant before the end of this month, and to date the construction costs have been kept well within the estimates. In fact, the management expects to complete the job at well below the estimated figure. The progress made on the new mill has exceeded expectations and thus it is expected that the new plant will be turning out paper before the close of the year.

So far, the financing of the new plant has been carried out by a bank loan; in the meanwhile, the management is negotiating for and expects to conclude a sale of bonds which will take care of all the expenditures. The company will not use earnings to erect the mill.

Will Produce Savings

Brompton is now producing between 100 and 120 tons of groundwood pulp per day at Bromptonville. The sale value of this output averaged just under $30 per ton f.o.b. mill last year. The completion of the new 100 tons a day newsprint mill means that this pulp will be converted into paper with a selling value of $65 per ton and thus the company anticipates considerably increased profits.

F. N. McCrea, president of the company, has stated his belief that the completion of the new newsprint mill will materially help the whole organization and that the plant may perhaps justify the resumption of dividends. Mr. McCrea also declared that while he is the largest individual shareholder in the company and would welcome a return to a regular dividend basis, yet it would be unwise to resume paying dividends until the company is sure that such payments may be continued.

Halifax Laying Plans for New Hotel by United Company

HALIFAX. — While no definite arrangements have as yet been made it is expected that the recent visit of President Dudley of the United Hotels Co., will result in the formation of a local company to build a modern hotel in this city. The board of trade is taking an active interest in the matter. The United Hotels Co. owns and operates the Admiral Beatty at St. John, which has been a success.

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More Tough Sledding Slated for the Asbestos Corporation

Johnston Asbestos Company Plans Expansion Which Will Increase Keen Competition Which Corporation is Meeting Already — The Situation Reviewed From Bondholders' and Shareholders' Standpoint

From Our Own Correspondent.

MONTREAL.—Shareholders of the Asbestos Corporation will be interested in learning that the Johnston Asbestos Company has decided to proceed immediately with large extensions and a thorough renovation of its existing plants. Little else but trouble seems to have followed in the footsteps of the merger of the Quebec asbestos companies, and the present move by the Johnson Asbestos Company indicates even more trouble for the new merged company.

The corporation has been experiencing severe competition from the Keasbey and Mattison Company, a U. S. asbestos manufacturing firm which mines its asbestos from what is probably the richest mine in this province. With the exception of the Johnson mine, all the other producers are either included in the merger or cooperate with the Asbestos Corporation to prevent an over-production of the mineral.

It was generally understood that although the Johnston Asbestos Company did not come into the merger, it would not take advantage of the bettered prices of the mineral brought about through the consummation of the merger.

There seems little doubt that the failure of the Asbestos Corporation to obtain the co-operation of Keasbey and Mattison has left the corporation more or less in the position of "holding the bag." The recent news of the extensions to be made on the Johnston property indicates that the corporation will experience even keener competition in the future than at present.

The Position May Improve

As far as the shareholders of the corporation are concerned, it seems unfortunate that while some of the merger properties have been closed down in order to avoid over-production, the result has simply been to increase the production of such companies as the Johnston Asbestos and Keasbey and Mattison. Perhaps if W. G. Ross, the president of the Asbestos Corporation, is successful in reaching an agreement with the South African producers of asbestos, it might be possible to bring the Johnston Company and Keasbey and Mattison into line by some type of agreement which would definitely limit the amount of asbestos which each company may produce. Thus prices will move upward and all producers will be enabled to earn a fair living.

Has Changed Ownership

There is no doubt that the merger last year brought much good to the industry in general, and the shareholders of the Asbestos Corporation in particular, but there are many who feel that the benefits which have been achieved through increased prices will be jeopardized should this unlooked for and unexpected competition continue.

At the time the merger took place, the Johnston Asbestos Company was controlled by A. S. Johnston, who was the first man to work the mineral deposits in the eastern townships of Quebec. Since that date, due to the death of Mr. Johnston, the mine has passed into other hands, who, to judge from the latest news, do not for a moment intend to curtail, but rather to increase, the production from the mine.

In the old days, when competition became too keen, A. S. Johnston simply ceased operating his property and closed his mill. He played no part in the merger negotiations, but it was generally conceded that his policies in mining asbestos would in no way conflict with those of the new merger company.

Keasbey and Mattison Fracas

Now, however, comes the news of further expansion by the present owners of that property to take advantage of the better prices for the mineral which have been created solely by the merger of the other operators.

Of course, the output from the Johnston property is not the only competition which the corporation is meeting; there is the somewhat keener competition with Keasbey and Mattison. Those who are close to the Asbestos Corporation say the U. S. company entered into a definite agreement to limit their output. On the other hand, there are others who say that Keasbey and Mattison only entered into a tentative agreement to participate in the merger providing that such an agreement would not contravene the U. S. anti-trust laws. But apparently no way out of the difficulty has been, or can be, found. It is natural then that the U. S. company would not fulfil any contract which runs foul of the U. S. laws.

For years the asbestos industry had been more or less in the doldrums due to overproduction and excessive competition. When merger negotiations were undertaken, it seems a fair assumption that every effort should have been made to make sure that the one great curse of the industry would be eliminated in the future—a step which apparently was not taken. Therefore, there are many who believe that those who were behind the merger are to blame rather than those who merely participated in its consumption.

Shareholders' Point of View

As far as the bondholders are concerned, they can view the situation with equanimity. It is conceded that there is more than sufficient equity and earning power behind the senior securities to more than fulfil all the obligations of the trust deeds.

But the shareholders are in a different position. Even to-day there exists a great uncertainty in the minds of investors about the payment of the next dividend on the preferred shares—an uncertainty which has not as yet been set at rest by the management.

BETTER BUSINESS NOW REPORTED IN TEXTILE INDUSTRY

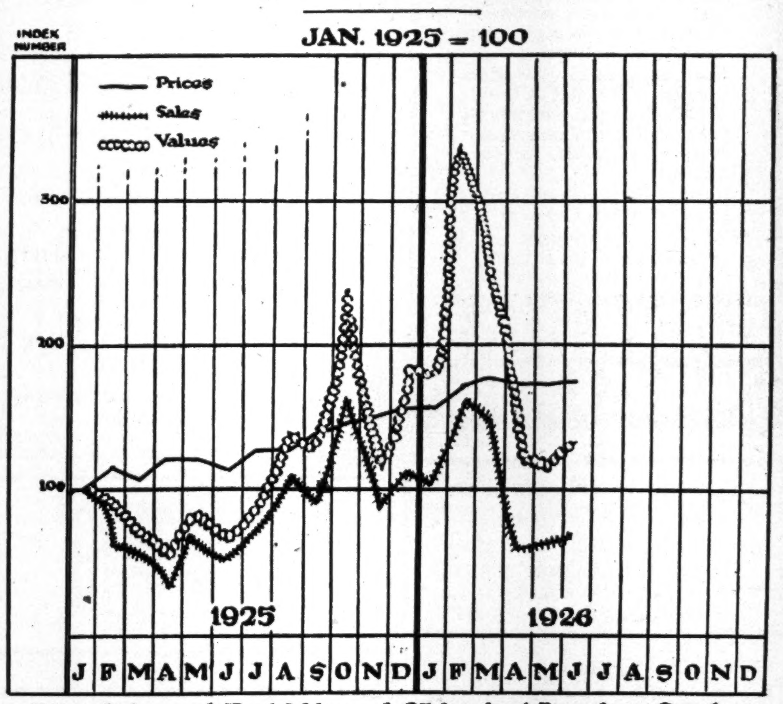
But Profits Being Made Are Far From Satisfactory

Increased business being experienced by the Canadian textile companies is indicated in the case of Mercury Mills, of Hamilton, for the first six months of the year by an expansion in sales of better than 10 per cent., as compared with the first six months of last year. Profits should be approximately the same percentage or perhaps a little better.

The increased business of Mercury Mills, with the Canadian retail trade, for the period referred to was much greater than indicated by the expansion in all departments. This business increased about 50 per cent, but the gain was largely offset by a serious loss experienced in export business. Up to July of last year important trade was being developed in the British market, but at that time Great Britain imposed a duty which had the effect of practically closing that market to Canadian manufacturers. In view of the fact that the British business was not enjoyed during the last six months of last year the increase in domestic business, if sustained, should make the total showing relatively more satisfactory than for the first half of this year. Much will, of course, depend on current business conditions and in this connection the big factor is the forthcoming crop.

Despite the improvement in business referred to, the conditions of the Canadian textile industry generally are far from prosperous. In a great many lines the lack of effective protection and the importation of British, European and American goods renders it practically impossible to make profits. In a number of lines the Canadian manufacturers are merely producing on the basis of keeping up production, holding their market and keeping their workers employed in the hope that a change of policy at Ottawa will bring about more favorable market conditions.

Stock Prices 70 Per Cent. Over This Time Last Year



Prices, Sales and Total Value of 25 Leading Canadian Stocks

The trend of prices and sales of 25 best selling industrial and public utility common stocks on Toronto and Montreal exchanges, computed by the Dominion Bureau of Statistics, are charted above. As indicated, the price movement has shown a steady mild rise since the beginning of last year. Sales and total values of stocks sold have moved along a fluctuating path, having reached a peak in February last, and then falling close to the level at the beginning of last year. Present levels are close to those at this time last year. Prices, however, are about 70 per cent. higher.

Iron and Steel

BESCO DISBANDING ITS POLICE FORCE

A Saving of $190,000 a Year—Protection is Now Up to Provincial Officials

From Our Own Correspondent.

HALIFAX.—A large saving estimated at $190,000 a year has just been achieved by Besco in the disbanding of its police force, numbering about 100 officers, clerks and men who for several years have been stationed in detachments at various strategic points in Cape Breton and on the mainland. Simultaneously, Captain D. A. Noble, their commandant, has resigned after 16 years' continuous service under Besca and the Dominion Steel Corporation.

Besides financial advantage, it is likely that the move will result in improved relations between company and employees, as the Duncan report, last fall, blamed the presence of this force for much of the restlessness of the men who testified that, rightly or wrongly, they regarded it as in the nature of a spy system upon them.

Vice-President J. E. McLurg states that the abolition of the force is due entirely to necessity for economy, and he speaks very highly of Captain Noble as having labored for years with an eye single to the interests of his employers, thus earning considerable criticism from strikers and others.

A small force of watchmen is being organized by the company, but it is understood that it is now up to the province to furnish police protection for the industrial areas, thus passing along to the taxpayer a burden that was for many years carried by the corporation.

Besco's Coal Mines Are Operating at Capacity

From Our Own Correspondent.

SYDNEY.—Besco's coal business continues brisk, with all Cape Breton mines working at full capacity.

Installation of a coal crusher at Allen shaft, Stellarton, has brought the Acadia company an additional order of 100,000 tons of crushed railway fuel.

Springhill mines are working near capacity.

Eastern Car, New Glasgow, is working on refrigerator cars for the C.N.R. and some flat cars for the C.P.R., with no new business in sight when these are finished.

Page-Hersey's New Stocks Are Proving Very Popular

There is considerable investment interest in the preferred and common shares of Page-Hersey Tubes, Ltd., the former selling at 104 and the latter up to around 49. The preferred has an attractive feature in that while it bears a seven per cent. cumulative dividend it is convertible for two shares of the no par value common stock. In view of the company's splendid prospects it is considered that this privilege will be a valuable one within the next few years. Already the earnings are said to be running at around $6.50 a share on the common and it is proposed to start dividends at the rate of $3 per annum in October.

J. C. Nicholson is New Chief of Besco Mines

GLACE BAY.—The announcement is made by H. J. McCann, general manager of the Dominion Coal Co., that A. S. MacNeil, general superintendent of mines for the British Empire Steel Corporation, has resigned his position and that, effective July 22, J. C. Nicholson, superintendent of mines at Springhill, is general superintendent.

John C. Nicholson was born in Stellarton, but when a boy engaged in coal mining at the old Gardiner mine. His youth was spent in Dominion, where his mother still resides.

Mr. Nicholson worked for quite a time at different engineering projects in New Mexico. He was manager at Springhill for several years, latterly being general superintendent of all the Cumberland collieries.

Mr. Nicholson will arrive here shortly to take up his new duties, his appointment being effective July 22.

A. K. McLeod, manager at Springhill colliery No. 2, has been appointed general manager at the Cumberland mines.

Ontario Steel Products Pays 1% Extra Dividend

An extra one per cent. on the common shares of Ontario Steel Products has been declared in addition to the usual one per cent. for the quarter. The stock was placed on a $4 basis in June, 1923, after a two-year suspension. It is understood that the company is enjoying prosperous business, and there has been a recovery from the depression which followed the announcements in the budget affecting the automobile industry. The company's year ended June 30, and it is understood that a favorable statement will be available shortly. In 1925 the company earned 7.60 per cent. on its common shares of $750,000 after paying 7 per cent. on the preferred of an equal amount. Net profits for the year ending June, 1925, were $109,987, compared with $63,494 in the previous year.

The company was incorporated in 1913, acquiring as going concerns the D. F. Jones Mfg. Co., Gananoque; Gananoque Spring and Axle Co., and the Dowsley Spring and Axle Co., of Chatham. In 1919 the company built the plant of the Central Spring Co., at Oshawa, to meet the increasing demand for springs for automobiles and trucks.

Cockshutt Plow Expected to Show Good Earnings

Buying at rising prices of Cockshutt Plow shares this week is presumed to precede the appearance of satisfactory earnings due to the improved situation in agriculture in Western Canada and prospects for a good crop this year and to important foreign orders which were secured some months ago.

Improvement in the business of the agricultural implement companies is a feature of the industrial situation in Canada at present, which should serve to attract the attention of investors to the possibilities of some of the more prominent securities in this group, says Bongard & Co., in a market letter. A glance at the way in which export trade has been moving—always an important factor in the implement industry—will give concrete evidence of the improving situation. Taking the post-war years, the value of Canada's exports of agricultural implements has been as follows:

Fiscal year ended March 31:

1919	$8,831,803	1923	$6,066,393
1920	11,614,400	1924	9,339,519
1921	12,527,373	1925	11,342,712
1922	5,345,308	1926	13,628,341

The table is illuminating, for it shows that at no time since the war, not even excepting the boom period, from 1919-21, did the implement companies do as much foreign business as in the 1925-26 fiscal year, and, when the higher prices prevailing after the war are taken into account the increase is all the more striking. The great gain was made during the last months of the year 1925-26, and the volume of business has continued so large that the 1926-27 figures will undoubtedly be well ahead of those of 1925-26.

INVEST IN A GROWING INDUSTRY
St. Lawrence Paper Mills Limited
6½%
Ten Year Debentures
Assets securing this issue amount to over $256 for each hundred dollar debenture.
Earnings of the Company before depreciation and Federal taxes are at the rate of 4.6 times debenture interest requirements.
Upon completion of extensions to the Company's plant now under way, the output of newsprint will be doubled and net earnings available for bond and debenture interest are estimated at $2,000,000 or at the rate of over twelve times debenture interest.
Price 100 and accrued interest
carrying stock purchase warrants
Write for circular Y-81 giving full particulars.
NESBITT, THOMSON and Company, Limited
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Massey-Harris in Demand on Good Earnings Prospects

Activity and strength in the securities of the Massey-Harris Co. has continued on the Toronto Stock Exchange. All the company's plants are operating at capacity, and the Brantford factory, which is concerned mainly with export business is running in two shifts. Earnings are reported as better than at any time during the past five years. The company's year ends on November 30, and while much may happen to affect earnings one way or the other in the interval, it may be confidently expected that at least $2,000,000 will be earned, in which case approximately $1,200,000 would be applicable on the common stock. This should result in the inauguration of dividends on the common shares, possibly early in the new year.

American Producers Force Price of Pig Iron Down

Inability to withstand pressure from American producing centres, particularly from the Buffalo district, has, as was predicted for the last few weeks, forced the Canadian pig iron market down $1 a ton on all grades, according to Canadian Machinery.

While it is true that the Buffalo furnaces are adhering to current American prices on business for delivery in their own district, a number of them are competing for business in outside territory at considerably reduced figures, and, of course, Canada is always looked upon as the easiest and most satisfactory market in which to dispose of a surplus.

Huron & Erie Manager on Loew's London Board

At a meeting of the board of directors of Loew's London Inc., George H. Beldan was elected vice-president, succeeding the late George T. Brown. Morley Aylesworth, general manager of the Huron and Erie Mortgage Corporation, was elected to the board.

C.P.R.'s Half Year is Best in Eight Years

MONTREAL.—A splendid showing is made by the figures released to-day by the Canadian Pacific Railway covering the month of June and the first half of 1926. It was the second greatest half-year in the history of the company as regards gross, being more than ten millions greater than the figures of 1920. Net for the first half of 1926 was the best since the corresponding period of 1918, having been nearly double the net of the 1925 period.

The increase in net for the month of June was only slightly below the big increase recorded in May, being the second greatest increase since last September. Both gross and net were the largest for the year to date. It was the second greatest June gross in the history of the company, the gross of June, 1920, having topped it by less than a million dollars. The net showing was the best for any June since 1919.

The following tables show the gross earnings, working expenses and net profits for June and for the six months with comparison:

June	1926	1925	Inc.
Gross	$15,533,968	$13,464,647	$ 2,069,321
Work ex.	12,706,864	11,880,196	826,668
Net	$ 2,827,103	$ 1,584,450	$ 1,242,652
Six Months—			
Gross	$85,227,786	$75,155,819	$10,071,966
Work ex.	71,271,099	67,358,173	3,912,925
Net	$13,956,687	$ 7,797,646	$ 6,159,041

B. C. Pulp and Paper Co.

A statement of the affairs of the British Columbia Pulp & Paper Co., at the end of April shows total assets of $9,453,570, as follows:

Assets	
Cost of properties	x$7,674,203
Investment	20,000
Inventories	612,491
Advances to loggers	369
Customs drawback	16,724
Accts. & bills receivable	390,954
Cash	696,760
Deferred accounts	42,068
Total	$9,453,570

xAfter deducting provision for depletion of timber limits amounting to $11,502.

Public Utilities

POWER INDUSTRY, PULP AND PAPER STILL IN INFANCY

Significant Statements by Sir Herbert Holt in London Recently

Discussing power development in Canada and the pulp and paper industry in London during his recent visit, Sir Herbert Holt declared that both of these industries are in their infancy. Continuing he said:

"The United States is becoming more and more dependent upon the supply of newsprint from the Dominion, and, with the prohibition of the export of power from Quebec and Ontario, American capital and American enterprise are naturally being attracted to the field of Canadian water-power development. It is the old story of Mahomet and the Mountain. United States industrialists cannot secure a supply of power from Canada by transmission, and they are compelled, if they wish to avail themselves of the new and comparatively unexploited resources across the border, to establish plants in the Dominion. Take, for example, the Aluminum Company of America's great project on the Saguenay River, in the Province of Quebec. This company is making an initial investment of $100,000,000 in the establishment of a plant at a place where water-power is available, and it is their intention to ship manufactured products to all parts of the world from this branch establishment, more particularly the United States, where the rapidly expanding motor-car manufacturing business is calling with an ever-increasing demand for aluminum. Had there been no embargo on the transmission of power from Quebec to the United States, in all probability this American corporation, which, by the way, secures its raw material from British Guiana, would not have erected a Canadian plant, with its capacity of 800,000 horsepower, and Canada would have been the loser thereby. This applies equally to other American-Canadian developments of this nature.

"With this waterpower development proceeding apace, it naturally follows that we have to look further afield for waterpower resources. Only recently I made the statement to Mr. Taschereau, the Premier of Quebec, that within 25 years all the waterpower within what may be described as the Montreal area would be under actual development, and that it would then behoove Canadian industries dependent upon waterpower to look in other directions within the Dominion for their supply of power. Fortunately, however, there is still a comparatively unlimited supply available, and for many years to come Canadian and American capital will be actively engaged in developing these as yet untapped resources."

Sir Herbert then referred to the interesting developments now taking place whereby power companies, such as the *Shawinigan* and the Duke-Price *corporations*, are linking up their supplies to provide the territory which they serve with power on the best economic basis. "This is a development," he said, "which is likely to continue."

Brazilian Monthly Net Exceeds $2,000,000 Mark

There has been continued buying of Brazilian recently around 100. The company showed net earnings of $2,037,453 for June. This is the first time for several years that the $2,000,000 mark has been exceeded. Gross earnings also set a net high mark at $3,487,237. A considerable part of this increase is accounted for by the higher milreis exchange rates that have ruled during the month. The increase in net earnings over the corresponding month of last year was $687,008.

For the six months ending with June gross earnings amounted to $19,025,946, an increase of $5,117,664 over the corresponding month of 1925. Net earnings for the six months totaled $10,937,929, an increase of $2,893,621.

In an interview with the Financial Times, of London, recently, Sir Herbert Holt, who in recent years has become largely interested in Brazilian Traction, said that the outlook for the company was very bright.

"The earnings of the Brazilian Traction are, of course, materially affected by the exchange, and this seems likely to become more stabilized. Every cent rise in the milreis means one per cent. increase in the earnings of the company," he said, significantly.

Committee Works on Reorganization for D.U.R.

From Our Own Correspondent.

MONTREAL.—The protective committee of the first mortgage and collateral trust, sinking fund, five year, 6 per cent. bonds of the Detroit United Railway Company, has announced that the Central Union Trust Company, under court order, will pay on August 1 next from the funds which it holds as trustee, 18½ per cent. of the principal amount of the bonds presented.

Holders of certificates of deposit under the bondholders' agreement dated November 2, 1925, were entitled to receive this payment on and after the date specified. The bondholders committee also reports that progress is being made with negotiations with security holders of the subsidiaries which will result in a reorganization, but it is evident that no satisfactory reorganization can be effected this summer. The committee urges all holders of undeposited bonds to deposit their securities with the trust company on or before August 1 next, when the right to make these deposits will expire.

A. J. Nesbitt Appointed N.O.L. & P. President

From Our Own Correspondent.

MONTREAL.—Following the acquisition of the Northern Ontario Light and Power Company by the Canada Northern Power, A. J. Nesbitt, of Nesbitt, Thomson and Company, investment bankers, has been appointed president of the subsidiary.

Mr. Nesbitt is president of the Power Corporation of Canada and many of its subsidiaries. In addition, he is a director and member of the executive committee of such companies as the Southern Canada Power, Winnipeg Electric, Manitoba Power, and the Dominion Power and Transmission.

The Canada Northern Power Corporation, in order to consolidate the operation of all its subsidiaries which have the task of serving the entire mining areas of northern Ontario and Quebec, has appointed David Allan general manager. He will supervise the operation of all the subsidiaries. Mr. Allan was previously general manager of the Northern Ontario Light and Power Company.

Power Plan Ratified; New Shares Traded in N.Y.

MONTREAL.—The shareholders of the Montreal Light, Heat and Power Consolidated, at a special general meeting, ratified the plans for the split in the stock. There was no discussion at the meeting, and the shareholders were unanimous in approving the two by-laws which changed the capital structure of the company.

In the meantime, the New York market is the first place where both the new preferred and the new common of the Montreal Light, Heat and Power Consolidated have been made available for trading. Both these securities have been admitted for trading on a when, as, and if, basis.

Barcelona Affected by Slump in Spanish Exchange

Barcelona Traction shares have been weaker recently on account of developments in Spanish exchange, the peseta now selling a full cent under the year's high of 16.45. The Wall Street Journal, in commenting on this situation, offers the following explanation: "Speculative interest in Spanish pesetas has declined, and it is probable that most of the local long accounts have been liquidated. The reaction has also been aided by short selling, as many operators believed that Spanish imports of gold from London in recent months indicated official aversion to a rising exchange rate." In view of the importance of the exchange situation to the Barcelona Company shareholders may derive satisfaction that the decline has been implemented by artificial measures, and in no way reflects any adverse and uncontrollable development within the country itself. The decline is in part a sympathetic movement with the Italian lire, and the recent sharp break in French and Belgian francs.

(See also page 7)

OIL FIELD PROVEN BUT PRICES DROP

Explanation is That Calgarians Have Bought All the Stock They Can

Much wonder is expressed over the fact that the proving of the Turner Valley oil field was not accompanied by an orgy of speculation. The fact is that since the McLeod No. 2 well came in and proved the field, prices have dropped. McLeod itself, which sold up to $15 after the well came in, is now down to $10.50. Other prices are weak. The fact is that Calgarians are heavily loaded with high priced shares and much as they would desire to do so, they cannot buy further. On the other hand McLeod gave them the first opportunity they have had for a time to get some of their money out and this they have been doing, hence the weakness in these shares. Calgarians today consider they are sitting on the top of the world but are unable to take full advantage of their speculative position. As outside funds enter the field, they look for the market for shares to improve.

National Railways Are Reporting Record Earnings

MONTREAL.—An increase of $11,114,314, or 296.99 per cent. in net earnings for the first six months of 1926, as compared with the same period of last year, is shown in the financial statement of the Canadian National Railways for the period January 1 to June 30, 1926, issued to-day. This statement also shows the highest gross for any first half-year since consolidated system figures were set up in June, 1922, and the highest gross and net for any June since that time.

For the first six months period ending June 30 in each year, net earnings and operating ratios were as follows:

	Net earn.	Oper. ratio
1922	*$2,869,596	102.82
1923	1,591,357	98.63
1924	2,629,430	97.71
1925	3,742,346	96.45
1926	14,856,661	87.72

*Operating deficit first half of 1922.

CANADIAN WESTERN LUMBER

Canadian Western Lumber Co., which includes the Columbia River Lumber Co., shows the following figures for the month of May, 1926. Lumber manufactured, 17,669,400 feet, an increase of 5,665,302 feet over May, 1925. Lumber sold, 12,831,900 feet, as compared with 11,126,338 feet in May, 1925, and the price realized was $313,818, an increase of $43,758 over the corresponding month of 1925. The aggregate lumber manufactured from Jan. 1 to end of May is shown at 59,477,502 feet, an increase of 14,514,880 feet over the same period of last year. The aggregate lumber sold from Jan. 1 to end of May was 62,952,337 feet, as compared with 45,078,261 feet for the first five months of last year, and the aggregate price realized for the same period of time was $1,505,812, an increase of $399,777 over the corresponding months of last year.

UNLISTED SECURITIES

	Bid	Asked
Can. Machinery, com.	5	.
Can. Westinghouse, com.	165	..
Cosgrave Brewery	3	4
Dom. Power, pref.	97	99
Farmers Dairy, com.	48	..
Farmers Dairy, pref.	95	102
Dunlop Tire, pref.	71	75
B. Greening Wire, pref.	94	96
Copeland Flour, com.	2	4
Gunns, Ltd., pref	27	30
King Edward Hotel, Deb. A.	79	81
King Edward Hotel, Deb. B.	59	61
Loew's Buffalo, pref.	..	50
Loew's London, com.	2⅞	3⅜
Pure Food, com.	30	..
Mount Royal Hotel, pref.	38	40
Willard's pref.	69	72
Capital Life 25% paid	23	26
Continental Life 20% Paid	36	..
Crown Life	122	..
Empire Life	22	..
Excelsior Life 29% Paid	50	..
Great West Life	400	..
Imperial Life	280	..
Monarch Life 10% Paid	22	..
Mortgage Discount, pref.	7	7½
Ontario Equitable	22	25
Re-Insurance	22	25
Security Life. 40% Paid	30	34
Sherbrooke Trust	105	..
Sovereign Life, 25% Paid	27	29
Toronto Finance, pref.	4	5

GILMAN FANFOLD PREFERRED SHARES RISE WITH COMMON

Example of F. N. Burt Evidently Influences Buying of Stock

The rise in the preferred and common shares of the Gilman Fanfold Corporation to 125 and above has attracted considerable investment attention to this young and prosperous member of the family of Moore companies. At the opening of the present year the common sold at 105 and the preferred at 114. The preferred shares are transferable for common, which accounts for the high level at which the senior shares are now selling, they having moved up with the common. During 1925 the common could have been bought at 80 and the preferred at 100.

The method of financing on the basis of making preferred shares changeable for common has proven very satisfactory in a number of Canadian companies. The holders of the preferred are thus given an opportunity to share in any unusual success which the company may enjoy. In several cases the value of the common shares has risen far above the issue price of the preferred, and the holders of the latter have shared in this advance. One of the outstanding examples has been the F. N. Burt Company, another member of the Moore group. For a number of years this company paid 10 per cent., and in 1921 an additional 10 per cent. was paid as a bonus. In March, 1925, the common shares were split four for one, and the dividend was increased from 10 to 12 per cent. The split shares have now a market value of 56, although they have been traded as high as 67 during the present year. One share of preferred being changeable for four of common, the present price gives the preferred a value of 224. The original holder of preferred who has made the change is now receiving $12 per annum on each $100 invested.

The Gilman Fanfold Corporation was formed in Ontario in 1925 and acquired the Fanfold multiple record business, and the assets relating thereto, of the A. S. Gilman Printing Co. The company manufactures various trademarked business forms. The plant at Niagara Falls, N. Y., is thoroughly modern, having been built in 1923. There have been issued $1,000,000 of common and $750,000 of convertible preference shares. S. J. Moore is president, A. S. Gilman and E. G. Baker, vice-presidents; O. L. Moore, general manager; directors, A. E. Ames, Wm. O'Connor, Wm. Bovier.

The company has been making very satisfactory profits and prospects for business for the remaining months of the year are very bright. However, in view of the recent rise in the market for the company's shares, there is just a question as to whether investors may not become over-enthusiastic in discounting the dividend possibilities of the early future.

115,000,000 POTENTIAL TOURISTS FOR CANADA ACROSS THE LINE

(Continued from Page 1)

pressed with the possibilities of marketing equipment there. Germany and other European countries were selling them machinery with a string attached. They were turning to the United States, and possibly Canada, for the products.

Incidentally, these last two men represent a type of practical business man which many of the American universities produce. Both commenced as university professors, Willis at Columbia, Morrow at Yale. While the former, Dr. Willis, still ranks as professor in Columbia University, both have been absorbed by big business enterprises in executive capacities. Many outstanding business executives in high positions in the United States to-day were formerly university lecturers. But university men in the States are practical, business like, sympathetic towards industry's problems. They are not mere theorists.

Returning to the original point of discussion — American interest in Canada—one cannot visit one of the great United States cities without realizing what an asset Canada has in this interest and friendship. Apart from all less mercenary reasons, there are 115,000,000 potential tourists to Canada in the republic. At least 20 per cent. of these are investors.

HAMILTON DAIRIES

HAMILTON.—With a capitalization of over $1,000,000, the Hamilton Dairies, Ltd., will begin operations here in about two months. The new company will be a consolidation of the Hamilton Dairy, the Wentworth Dairy, creameries and butter factories at Caledonia and Jarvis, and the Cloverdale and the Brant Ice Cream Company, this city.

The Royal Bank of Canada

Head Office, Montreal

Condensed Statement to the Dominion Government

June 30, 1926

LIABILITIES

Capital Paid up	$ 24,400,000.00
Reserve Fund	24,400,000.00
Undivided Profits	1,249,435.32
Notes in Circulation	36,267,831.94
Deposits	590,288,196.49
Due to other Banks	19,499,571.43
Bills Payable (Acceptances by London Branch)	8,065,837.49
Letters of Credit outstanding	32,101,341.25
	$736,272,213.92

ASSETS

Cash on Hand and in Banks	$111,491,435.14
Deposit in the Central Gold Reserves	14,000,000.00
Government and Municipal Securities	98,112,448.16
Railway and other Bonds, Debentures and Stocks	19,193,174.92
Call Loans in Canada	32,389,252.71
Call Loans elsewhere than in Canada	46,328,048.75
	$321,514,359.68
Loans and Discounts	363,379,805.96
Liabilities of Customers under Letters of Credit as per contra	32,101,341.25
Bank Premises	14,285,854.75
Real Estate other than Bank Premises	2,235,012.52
Mortgages on Real Estate sold by the Bank	1,315,839.76
Deposit with Dominion Government for Security of Note Circulation	1,440,000.00
	$736,272,213.92

884 BRANCHES IN CANADA, NEWFOUNDLAND, WEST INDIES, CENTRAL and SOUTH AMERICA, also LONDON, NEW YORK and BARCELONA.

Auxiliary: THE ROYAL BANK OF CANADA (France)

Stock Market Record

WEEK ENDING JULY 27

	Div. Rate	Yield July 26	High for wk.	Low for wk.	Close July 27	Close July 20	Sales for wk.	Range, 1926 High	Low
Banks—									
Commerce	12+1	5.82	224	221	224	222	66	226	214
Dominion	12+1	6.15	211	211	211	212	42	219	210
Can. Nationale	10	6.32	158	158	158	157½	2	170	157
Imperial	12+1	6.33	205	203	205	203	135	215½	200
Montreal	12+2	5.16	271	270	270⅛	271	85	271¾	251½
Nova Scotia	16	5.46	294	293	293	295	10	300	281
Royal	12+2	5.57	251	250½	250½	250¼	115	255⅛	248
Standard	12	6.21	194	192	194	192	29	200	190
Toronto	12	5.50	218	218	218	219	1	222	213
Paper—									
Abitibi, com. (no par)	4	5.40	75	73½	74½	75	599	85½	70¼
Do. pref.	7	6.42	109	108	108¾	109	25	116	106¾
Belgo-Can., com.	6	6.00	...	...	...	...	...	100	100
Do. pref.	7	7.05	99½	98½	98½	99¼	150	101	95¾
Brompton (no par)	.	...	30	28¾	29½	28½	720	35¼	26
Laurentide	6	6.85	88	87½	87½	88½	677	93½	81½
Price Bros., com.	2	2.94	68	68	68	68½	68	72	57
Do. pref.	6½	6.50	100	100	100	100	40	100	95
Prov. Paper, com.	6+1	6.73	104	103	104	103	96	104	100
Do. pref.	7	6.78	..	...	...	...	...	104½	100
Smith, Howard, com.	.	...	49	48½	49	49	79	54½	38
Do. pref.	8	8.24	97	96	96½	97	16	101	92¾
Span. River, com.	7	7.07	100	98¾	99⅛	100	230	102	96½
Do. pref.	7	6.22	112½	112½	112½	112¾	10	119	108
Wayagamack	.	...	71	70	71	69½	52	83	56
Steel and Steel Industries—									
B.E. Steel, com.	.	...	½	¼	¼	½	10	3½	¼
Do. 1st pref.	.	...	9¾	9¾	9¾	9½	5	30	9
Do. 2nd pref.	.	...	2	2	2	1½	100	10¾	2
Can. Car & Found., com.	.	...	39	39	39	40	35	49	33
Do. pref.	7	8.58	82	81	81½	83	90	85¾	73
Can. Fairbanks, pref.	.	...	..	...	...	...	...	60	60
C. G. E., com. (par $50)	.	...	..	...	...	...	...	51	47
Do. pref. (par $50)	7	6.36	55	55	55	48	40	60	48
Can. Locomotive, com.	.	...	..	...	...	...	...	42	35
Do. pref.	7	8.75	81½	80	80	82½	30	89½	73
Canada Iron, com.	.	...	10	10	10	9	1	10	9
Do. pref.	.	...	41	41	41	41	9	42	39
Can. Forgings, pref.	.	....	47	45	47	45	20	50	41½
Dominion Coal	.	...	50	50	50	50	20	52	40
Dominion Iron, pref.	.	...	...	...	...	...	...	24¾	5
Dominion Bridge	4	3.96	101½	100	100	101½	237	102½	86
Dom. Radiator, pref.	7	6.93	..	...	...	...	...	103½	100¼
Dom. Steel Corp., pref.	.	...	16	16	16	16½	75	25	10⅝
Ford Motor	10	...	..	...	...	...	...	622	500
McKin. Ind., c. (no par)	.	...	..	...	...	...	...	26½	15
Do. pref.	7	8.04	..	...	...	...	...	92	87
Massey-Harris, com.	.	...	63	60	63	62½	576	63½	40
Do. pref.	7	7.34	95½	95	95	95	218	97	93
N.S. Steel, pref.	.	...	..	...	...	...	...	25	25
Ontario Steel, com.	4	5.40	..	...	...	...	...	76	60
Do. pref.	7	7.00	..	...	...	...	...	102	98
Russell Motor, com.	3	7.50	..	...	...	...	...	42	39
Do. pref.	7	7.77	90	90	90	90	5	90	76
Sawyer-Massey, pref.	.	...	..	...	...	...	...	13	5
Steel of Canada, com.	7	6.73	104	103¼	104	102¼	455	106½	95⅛
Do. pref.	7	5.83	120	118	120	118	67	120	114
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	...	22½	22	22	22⅞	38	26⅝	18
Do. pref.	7	7.77	90⅜	90	90	90½	32	92	89½
Atlantic Sugar, com.	.	...	24	23½	23½	24¼	30	33⅞	21½
Do. pref.	.	...	..	...	...	...	...	88	75
B. C. Fishing	5	6.62	76½	72⅞	76¼	73¼	3425	76½	57¼
Can. Bread, com. (no par)	.	...	76¾	76¾	76¾	76¾	5	78	53
Do. pref. (A)	7	6.42	..	...	...	...	...	110	105
Do. pref. (B)	7	7.07	99	99	99	99	174	100	96¼
Can. Canners, com.	.	...	13¼	13¼	13¼	13	100	15	12
Do. pref.	4	6.18	65¼	64½	65	65⅛	247	67¾	60
Canadian Salt	8	6.40	125	125	125	135	10	145	125
Christie Bis., c. (no par)	30c.	...	..	...	...	...	...	63½	44¼
Can. Bak., c. (no par)	.	...	33½	33	33½	33¼	53	37¾	26½
Do. pref.	7	7.48	94	93½	94	93¾	25	98½	92⅛
City Dairy, com. (par $25)	12	3.97	78	72	75	71½	781	81	67
Do. pref.	7	6.42	109	109	109	110	2	112	107
Cuban Can. Sugar, com.	.	...	3	3	3	3	40	5	3
Do. pref.	.	...	..	...	...	...	...	28	21½
Dominion St., c. (no par)	60c	...	63½	63	63½	63¾	25	68	56
Do. pref.	.	...	..	...	...	...	...	116	106
Wm. Davies (A) (no par)	.	...	31	30½	30¾	30¾	186	37½	29
Inter. Milling, pref.	7	7.00	100	99½	100	100	30	105¼	99
Lake of Woods, com.	12	8.27	145	145	145	143	10	175	139
Do. pref.	7	6.03	..	...	...	...	...	118	115
Loblaw, com.	.	...	30	30	30	30	10	30	30
Loblaw, pref.	.	...	100½	100½	100½	102	10	102	100½
Maple Leaf Mill., com.	.	...	62¾	62¾	62¾	62½	5	88	50⅛
Do. pref.	7	7.36	94	93	93	95	2	102	92
Ogilvie Flour, com.	5	2.76	181	181	181	184	4	200	165½
Do. pref.	7	5.83	..	...	...	...	...	125	117
Pure Gold Mfg. (no par)	50c	...	18½	17½	18½	18	298	23½	17½
Shred. W. new, c. (no p.)	75c	6.00	50¾	50	50¾	50	126	51¼	47½
St. Law. Flour, com.	.	...	39	39	39	40	25	45	28
Do. pref.	7	8.53	..	...	...	...	...	84	82
Viau Biscuits, com.	.	...	27½	27½	27½	28	125	28	18
Do. pref.	7	7.95	88	88	88	88	67	89	85
Western Groc., c. (new)	.	...	..	...	...	...	...	27	25
Do. pref. (new)	7	...	..	...	...	...	...	70	62
Utilities—									
Bell Telephone	8	5.79	138¼	137½	138	138	405	141	136
Consumers Gas	10	5.78	173¼	173	173⅛	173½	280	183⅞	170
Inter. Util. (A) (no par)	87¼	...	32	31½	31½	32¾	115	38½	31½
Cons. Gas rights	.	...	..	...	...	...	...	4.85	4.90
Cedar Rapids	3	...	..	...	...	...	...	50	40
East Koot. Power	.	...	..	...	...	...	...	32	25
Jamaica Pub. Ser. pref.	7	7.14	98	97	98	97	31	99¼	96½
Laurentide Power	5	4.58	109	108	109	110	200	110	100
Mackay, com.	7	5.18	135	134½	135	134⅞	44	136	105
Do. pref.	4	5.63	72	71	72	71½	102	73½	68¾
Mexican Light, com.	.	...	..	...	...	...	...	31⅞	29
Do. pref.	.	...	..	...	...	...	...	86	64
Mont. L. H. & Pr. Cons.	8	3.63	221	219	221	218⅝	2826	230	209
Montreal Teleg. (par $40)	8	6.66	..	...	...	...	...	51½	48
Ottawa L. H. & Pr. com.	6	6.25	..	...	...	...	...	100	92
Do. pref.	6½	6.85	101¾	101¾	101¾	102	5	105¼	100
Quebec Power, com.	5	3.96	126	125	126	125	86	130¼	113
Do. pref.	7	6.27	111½	111½	111½	111½	80	116	109½
Shawinigan	8	3.92	205½	202½	202½	204	740	208¼	167½
South. Can. Power, com.	2.00	2.43	82½	81	82	82½	776	92	81
Do. pref.	6	5.92	101	100	100	100	43	104½	100
Do. rights	.	...	..	...	...	...	...	19	11
Ottawa & Hull Pr., com.	.	...	46	46	46	30	25	46	25
Transportation—									
Can. Pacific Rly.	10	6.10	163¾	162	163¾	164½	51	166½	147
Can. Steamships, com.	.	...	18½	18	18½	18¼	190	20	11
Do. pref.	.	...	71	69¼	70	70	821	73¼	56
Do. voting	.	...	18	18	18	18¼	340	19	11
Tractions—									
Barcelona (par $50)	.	...	..	...	...	...	...	36¼	26
Brazilian, com.	5	5.00	101½	99¼	100⅛	101½	13612	102⅝	80
Do. pref.	6	5.98	..	...	...	...	...	102½	97½
Detroit Un. Rly.	.	...	2	2	2	1¾	25	8½	1¾
Duluth-Superior	.	...	30	30	30	32½	10	33¼	25
Illinois Traction, pref.	6	...	..	...	...	...	...	96¼	96¼
Montreal Trams.	10	5.84	171	171	171	170	130	178	159
Ottawa Traction	4+1	8.06	..	...	...	...	...	65⅞	60
Porto Rico Rlys., com.	.	...	..	...	...	...	...	47	40
Do. pref.	7	7.95	88	88	88	88	5	91	85½
Twin City, com.	5	7.04	71	70½	70½	71	140	79½	68¼
Do. pref.	7	6.79	..	...	...	...	...	108	102¼
Winnipeg Elec., com.	1	...	48½	47	48½	47½	177	54⅞	45¼
Do. pref.	7	7.10	98½	97¼	97½	97½	26	100½	95
Textiles—									
Can. Conn. Cotton, pref.	4	...	..	...	...	...	...	49	37
Can. Converters	7	7.52	93	93	93	93¼	35	94	90
Can. Cotton, com.	8	6.66	120	120	120	122	10	124	113
Do. pref.	6	6.41	..	...	...	...	...	99½	93½
Can. Woollens, com.	.	...	6	6	6	4	14	8	4
Do. pref.	.	...	..	...	...	...	...	50	45
Dom. Textile, com.	5	5.31	94	93	94	94	218	99⅛	89
Do. pref.	7	5.88	119	119	119	116½	35	122	115
Monarch Knitting, pref.	.	...	..	...	...	...	...	50	45
Montreal Cottons, com.	6	5.45	110	110	110	110	5	111	102
Do. pref.	7	6.08	..	...	...	...	...	115	110
Penmans, com.	8	4.30	186½	186½	186½	186½	125	190	173
Do. pref.	6	5.85	102½	102½	102½	101½	1	104½	101½
Wabasso Cotton	4	6.29	65	63½	65	61	10	65	60
General Industrials—									
Amer. Sales. c. (par $20)	4	6.15	65	65	65	63	135	70	54
Do. pref.	7	7.48	93½	93½	93½	93½	53	98	92
Asbestos Corp., com.	6	...	..	...	...	...	...	110	89
Do. pref.	6	...	..	...	...	...	...	128	109
Do. com. (new)	.	...	18¼	18	18	18¼	370	24½	17¾
Do. pref. (new)	7	9.85	72	71	71	72	386	79¾	62
Building Products, pref.	7	8.04	..	...	...	...	...	87	85¼
Brant. Cord. pf. (par $25)	8	7.84	25⅝	25⅜	25½	25½	772	27½	25⅜
Burt, F. N., com.	12	5.26	57	56	56	57	120	67½	50
Canada Cement, com.	6	5.71	105	104¼	105	104½	160	111½	98
Do. pref.	7	6.11	115	114	115	115	223	120	112¼
Cons. Rubber, pref.	7	8.00	..	...	...	...	...	87½	86½
Can. Ind. Alc. (no par)	1.28	6.73	19½	19	19	19½	760	20	16¼
Crow's Nest Coal	6	9.37	64	64	64	65	10	85	51
Dom. Glass, com.	7	7.52	93	93	93	92	20	105	85
Do. pref.	7	6.60	..	...	...	...	...	111	105½
East. Theat. c. (par $25)	.	...	25½	25⅜	25½	25	410	25½	18¾
Do. pref.	7	7.77	..	...	...	...	...	90	83
Famous Players, com.	.	...	..	...	...	...	...	18½	11
Do. pref.	8	8.79	91	90	91	90½	46	94¼	89
Gilman, com.	6	4.76	126	125	126	122	75	126	104½
Do. pref.	7	5.60	..	...	...	...	...	123	113½
Goodyear Tire, pref.	7	7.29	96½	96	96	96	55	97	85
Holt Renfrew, pref.	7	8.14	..	...	...	...	...	90	85½
King Ed. Hotel	.	...	..	...	...	...	...	41	25
Kelvinator, com. (no par)	.	...	17	16	16	17	37	20¼	15
Do. pref.	7	7.65	91¾	91½	91½	91½	15	93⅞	90
Lyall Construction	.	...	..	...	...	...	...	48	20
Nat. Brew, c. (par $25)	4	6.27	64¾	62	64	64	4237	69	56
Do. pref.	7	6.54	..	...	...	...	...	110	106
National Brick, com.	.	...	8	8	8	8	75	12½	8
Do. pref.	7	11.29	62	60	62	60	21	72	60
Pacific Burt, com.	6	6.41	95	95	95	93½	10	110	90
Do. pref.	7	6.69	..	...	...	...	...	110	102
Port Hope Sanitary, com.	3	3.48	..	...	...	...	...	88	74½
Do. pref.	7	6.71	..	...	...	...	...	105	99
Rogers, Wm., com.	.	...	..	...	...	...	...	67	45
Do. pref.	7	7.52	93	93	93	93	35	97	90
Sherwin-Williams, com.	6	4.58	..	...	...	...	...	137	125
Do. pref.	7	6.03	116⅞	116	116⅞	115¼	65	114	110½
Sterling Coal	4	10.12	..	...	...	...	...	43	37
Tooke Bros., com.	.	...	..	...	...	...	...	8	8
Do. pref.	.	...	..	...	...	...	...	60	55
Tuckett Tobacco, com.	4	6.45	..	...	...	...	...	65	61¾
Do. pref.	7	6.73	105	104	104	104	15	105	100
Woods Mfg., com.	.	...	47	47	47	47	1	48	38
Do. pref.	7	8.06	87½	86¾	86¾	87	10	90	77¾
Standard Chem., pref.	.	...	..	...	...	...	...	9	9
Trust and Loan—									
Central Canada	12	...	..	...	...	...	...	210	210
Can. Landed (par $50)	10+1	6.04	91	91	91	90½	10	100	90
Can. Permanent	12	5.84	..	...	...	...	...	208½	202½
Colonial Invest.	6	...	..	...	...	..	...	7	4
Hamilton Prov.	10	6.36	..	...	...	...	...	157	157
Huron & Erie	7+½	5.63	132¼	132¼	132¼	133	4	133	127½
Landed Banking	9	6.00	..	...	...	...	...	50	50
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
National Trust	12	5.06	..	...	...	...	...	245	232½
Ontario Loan (par $50)	11	5.28	..	...	...	...	...	106	103½
Real Estate Loan	7	8.23	..	...	...	...	...	85	85
Toronto Gen. Trusts	12	5.45	224	224	224	220	20	225	220
Toronto Mtge. (par $50)	10+1	5.61	..	...	...	...	...	100	93½
Union Trust	7	7.14	..	...	...	...	...	101	98
THE CURB MARKET									
Andes Pete	.	...	..	...	...	...	...	6⅝	6⅝
Brit. Am. Oil (par $25)	10	4.71	53½	50	53	53¼	492	54	47
Can. Oil, com.	1¼	...	72	70	72	70	60	75	65
Do. pref.	8	7.40	..	...	...	...	...	108	100
Continental Oil	25c	1.25	20	20	20	20	8	26	20
Dryden Power (no par)	.	...	8½	8½	8½	8½	80	11	5½
East. Engineering	.	...	..	...	...	...	...	2½	1
Good. & Worts	6	2.35	257	254	255	255	237	253	193
Imperial Oil	1.00	2.85	35⅞	35¼	35¼	35½	1708	38½	32½
Inter. Petroleum	75c	2.34	33¼	32	33¼	32½	390	35	29¼
Manitoba Power	.	...	41	39	41	41	242	42	24
Newsprint Corp.	.	...	..	...	...	...	...	27	18
North St. Oil, c. (par $5)	.	...	..	...	...	...	...	1.25	.75
Do. pref.	7	...	..	...	...	...	...	4.90	4.05
Simpsons, pref.	6	6.00	..	...	...	...	...	102	99
St. Maurice Valley	.	...	45	45	45	46	1	53½	40
Toronto R. S.	.	...	1.55	1.55	1.55	1.55	100	1.60	1.10
Volcania Oil (par $25)	62c	...	27	27	27	26	10	29	26
Attendu Engine	.	...	36	35	35	36	726	43¼	7
Beacon Oil	.	...	18¼	18¼	18¼	18	40	19½	14¼
Belding, pref.	7	...	..	...	...	...	...	101	75
Can. Nor. Pr., com.	.	...	30	28½	30	29	200	30	28
Cockshutt, pref.	.	...	60	59	59	58¼	30	62	57¼
Dom. Eng.	.	...	85	80	85	67	100	85	65
Eng. Elec., com. (no par)	.	...	..	...	...	...	...	24½	15
Do. pref.	3½	...	..	...	...	...	...	72	59½
Nor. Mex. Pr., com.	.	...	45	40	40	45	150	55	40
Illinois Power, pref.	7	7.10	99½	98½	98½	98¾	18	99½	96
N.S. Car, com.	.	...	..	...	...	...	...	12	7½
Paton Mfg., com.	.	...	..	...	...	...	...	55	50
Do. pref.	.	...	..	...	...	...	...	98	75
Page Hersey, com. (new)	.	...	48¾	48	48¼	48¼	170	49	43
Do. pref. (new)	.	...	104	103½	103½	103½	845	103½	100½
Power Corp. (no par)	.	...	23	23	23	23	5	28¼	23
Pressed Metals	.	...	..	...	...	...	...	40	30
St. Law. Pr. (no par)	.	...	..	...	...	...	...	46½	35
St. Maur. Pr.	.	...	78	75	78	75½	15	82	74
Un. Sec., com.	.	...	50	50	50	50	115	65	50
Do. pref.	6	5.79	..	...	...	...	...	105	103
St. Maur. Valley	.	...	35½	35½	35½	...	10	35½	35½
N. Mex. Pr., pref.	.	...	85	85	85	85	10	85	85

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

PORT ALFRED PULP & PAPER CORPORATION

Newsprint and Sulphite Pulp

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Mills at PORT ALFRED, P.Q.

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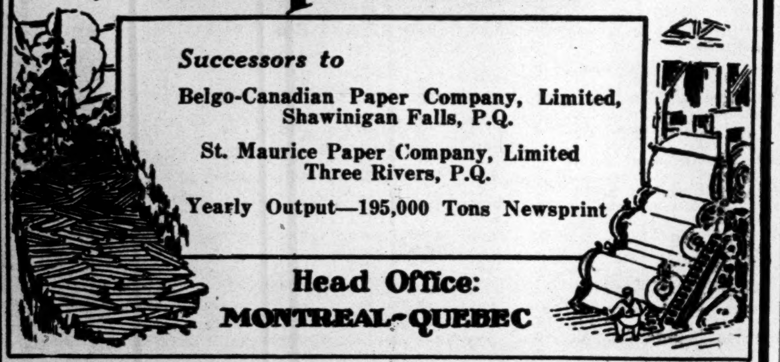
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

St. Maurice Valley Corporation



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Pulp and Paper

THE CONSUMPTION OF NEWSPRINT IS ALWAYS UNCERTAIN

Forecasts of Prosperity or Overproduction Are Both Unwise

From Our Own Correspondent.

MONTREAL.—Many investors are demanding the facts on the newsprint situation. They are reading almost daily statements such as this: "The period of uncertainty over the possibility of an over-production of newsprint has passed, and a revival of interest in the paper securities is assured." But this type of statement does not satisfy many who wish to know the real position of the industry before investing their funds.

What then is the real situation? The production figures tell their own story—but they do not tell the whole story. There are various pros and cons which must be considered and then the average investor is in as good a position to guess at the future as any one else—excluding, probably, the actual leaders in the industry itself. But the figures are the most accurate type of evidence upon which the investor may base his decision. They follow:

New Machines to Start in 1926

	Tons per day
Powell River	200
Port Alfred	300
Belgo	200
Manitoba	100
St. Frances	100
St. Lawrence	150
Brompton	100
	1,150

Present Daily Production

	Tons per day
Canadian mills	6,233
United States mills	5,687
Newfoundland and Mexican mills	630
	12,550
Expected increase of 8% in 6 mos.	1,050
Production by January, 1927	13,600

More Machines in 1927

Whilst the foregoing figures present only facts, yet other considerations enter into the problem. One of these is that the industry will continue to grow and that there are many new machines scheduled for 1927. On the other hand, the record of the industry has been one of steady expansion; six months and a year ago, there were many closely associated with the industry who predicted that to-day the newsprint mills would be decreasing their production in order to compensate for the increased output which came on the market this year. But the consumption of newsprint has run far ahead of what was expected and to-day the mills are endeavoring to operate at 100 per cent. capacity in order to fill their orders. During the past 18 months the increased consumption has been such as to absorb an increased production on this continent of 2,698 tons daily.

With a record such as this behind it, investors will realize that there is no one who can definitely say that the industry is on the verge of over-expansion. Although investors may feel that the trend of the industry is definitely towards Canada, this has not been seen in the output of U. S. mills which, instead of declining, jumped from 762,953 tons in the first half of 1925 to 844,083 tons during the first six months of 1926. But this, nevertheless, does not indicate that the industry is not moving northward; these older U. S. mills are still finding that the demand does not decline, despite the largely increased production. Naturally they absorb all the orders which they can fill. In other words, there seems little reason to doubt that although expansion here over the past two years has been large, it has not really been large enough to meet the increasing appetite of newspaper readers in the U. S.

Some Uncertainty Exists

And the answer to the question of how long this appetite will continue to grow at this amazing rate no one knows. Some acute observers say that there will be a slight slackening in the industry generally within a year—but these observers said the same thing one year ago. Although they were proven wrong, yet there is no doubt that anyone before purchasing the newsprint stocks should be well aware of the situation.

Thus it is undoubtedly fair to say that there exists at least a little uncertainty about the immediate future of the industry, but no one doubts the ultimate future. When all is said and done, forest products constitute one of the great basic industries of the Dominion which can not, over a long period, fail to operate successfully.

But there are, undoubtedly, many factors which offset the possibility of the creation of a newsprint surplus. In the first place, in purchasing the shares of the newsprint companies the investor is assured of holding securities in an industry which is bound to show a growth—a favorable factor which to-day applies to not so many businesses in the Dominion.

Real Buyers in Industry

Again, men like Sir Herbert Holt and J. W. McConnell have long been widening their spheres of activity in this field. These men are in the industry for more than a ten-day hold and a ten-point rise. It has been said that the investor can not go far wrong in following the lead of men such as these—and such reasoning is certainly not unsound.

Again, the control of the industry in this country appears to be going into the control of three large groups. These are the International Paper Co.; the Mead group which includes all the Spanish River-Abitibi interests and the Sir Herbert Holt companies. In the latter are included all the companies in which Sir Herbert Holt sits on the board. These include Port Alfred, St. Maurice, Price Brothers, Canada Paper and perhaps such companies as Laurentide and Brompton which place their production on the market with that of Price Brothers. Sir Herbert Holt is said to have the largest individual holdings in the latter company with the exception of the Price family.

To Buy or Not to Buy?

Should, or should not an investor choose the newsprint stocks? That, of course, is the only question in which he is interested and to which he should be able to find an answer. As the ultimate future of the industry seems assured, the investor is safe enough in buying shares of the newsprint producers provided he chooses only shares in those companies which are in a position to weather the temporary rough waves of over-production, if any. And it is worth stressing the fact that no one knows whether or not there may be a temporary surplus within a year. The ability of the great American public to absorb more and more newsprint depends on such things as the natural growth in the population coupled with the ingenuity which the publishers may exhibit in increasing the volume of newspaper readers.

More to be Developed

Again, the percentage of newspaper readers varies widely between different states in the union; it is possible that circulations may grow in these territories in which the percentage is lower. The same thing applies to Europe where the consumption of newsprint is on nothing like so high a per capita basis as it is in North America.

But to return to choosing an investment in a newsprint company. Practically the same rules apply to choosing an investment in any other industry. The management should be in the hands of those of proven ability and the company's capitalization should be such, that even in the event of lowered earnings, the financial position will not be impaired through the payment of high fixed charges. There must be, in other words, a good equity behind the common stock. It has been said that more companies have gone to the wall through too high a bonded indebtedness than through any other one cause.

St. Maurice Preference Shares Yield 7.4 Per Cent.

From Our Own Correspondent.

MONTREAL.—An investment letter issued by the Montreal stock exchange house of Craig, Luther and Irvine, draws attention to the preference shares of the St. Maurice Valley Corporation and says in part:

"In our opinion the preference shares of the St. Maurice Valley Corporation are selling out of line with similar securities of companies engaged in the production of newsprint. St. Maurice Valley preference shares can be purchased at the present time to yield 7.4 per cent.

Newsprint production of the corporation at the present time is rated at about 195,000 tons per annum. The construction program now under way, and well up to schedule at the present time will increase the rated newsprint production of the corporation and its subsidiary to 255,000 tons per annum. The corporation has also a rated capacity of 18,000 tons of kraft paper annually.

Earnings available for dividends, depreciation and income taxes averaged $1,461,641 per annum for the 6¼ years ending March 31, 1926. These earnings were achieved with only six newsprint machines in operation for the greater part of the time. With ten machines in operation, first quarter earnings of 1926, available for dividends, depreciation and income taxes, were $473,742.

As only $140,000 is required quarterly for preference dividends, earnings for the first quarter of 1926 were $333,742 in excess of the preference dividend. With the two machines now being installed the corporation will have twelve machines in operation. Earnings available for dividends, depreciation and income taxes from these machines, conservatively estimated should be close to $780,000 quarterly or 5½ times the amount of the preference dividend.

Timber limits of the corporation and its subsidiary are estimated to contain 15,000,000 cords of pulpwood, which would enable capacity operations without depleting resources for many years to come. All necessary power for capacity operations of the corporation's mills is assured by low rate, long term contracts."

Chandler Property May be Bought by U.S. Group

From Our Own Correspondent.

MONTREAL.—A notice has been sent out to the owners of the first mortgage six per cent. bonds of the St. Lawrence Pulp and Lumber Corporation to secure their consent to the sale of the bonds at 50 cents on the dollar. The company is perhaps better known as the "Chandler" property. It is understood that a U. S. syndicate headed by J. E. A. Dubuc, has made the offer and that a cash payment of about $40,000 has been made as a guarantee of good faith. There are bonds amounting to some $1,465,000 outstanding; thus the property would be purchased for the sum of $732,500, plus a further sum of $41,750 which it has been agreed will be deposited in part payment of the expenses of the bondholders' protective committee. The mill is located in the Lake Saint John district.

Exports of Paper, Pulpwood and Pulp Increase Further

According to the report issued by the Canadian Pulp & Paper Association, exports of pulp and paper from Canada in the month of June were valued at $14,687,125, which was an increase in value over the May exports of $1,543,715.

Exports of wood pulp in June were valued at $4,690,574, and exports of paper at $9,996,551, as compared with $3,756,685 and $9,386,725 respectively in the month of May.

For the first six months of 1926 the exports of pulp and paper amounted to $82,866,995, compared with $73,323,830 for the corresponding period of 1925, an increase for this year of $9,543,165, or 13 per cent.

Exports of wood pulp for the six months' period were valued at $25,112,602, and exports of paper at $57,754,393, compared with $21,725,581 and $51,598,249 respectively for the same period in 1925.

Pulpwood exports in June amounted to 128,136 cords, having a value of $1,426,515, as compared with a May export of 63,703 cords, valued at $598,510. For the first six months of 1926, 625,454 cords were exported, the value being $5,991,068, as compared with 769,988 cords valued at $7,421,524 for the corresponding period in 1925.

Abitibi Has Earned Nearly Three Times Dividend Paid

During the past five years the Abitibi Power and Paper Co. has earned nearly three times the dividends it has paid on the 250,000 shares of no par common stock, earnings averaging $8.28 as compared with average dividends of $3 per annum. During 1925, earnings amounted to $11.20 per share, as against dividends for the period of $4. This very large margin of profits over dividend disbursements over a period of years has enabled the company to build up a very strong liquid position, the ratio of current assets to current liabilities at the close of 1925 being 304 per cent. Compared with the scope of the industry, Abitibi's capital obligations are unusually light, securities prior to the 250,000 common shares being $10,634,000. Over against these obligations, the company has pulp and paper plants that have been producing well above 500 tons per day, big power development and immense timber limits, plants and limits being so closely related that operating costs are exceptionally low, according to a review issued by Watt & Watt.

"Almost every week lately the newsprint mill has been breaking production records. Demands for newsprint throughout the year has been consistently beyond expectations of the trade. Capacity output for the remainder of the year is anticipated. Under such circumstances Abitibi may be expected to do better in 1926 than in 1925. We believe that Abitibi will not long continue to earn so high a rate, without increasing the dividend. At the current price of 75, the yield is 5.33 per cent. Abitibi not only yields a good return, but, we consider, has decidedly favorable speculative possibilities."

FRASER COS. HAVE LOSS

MONTREAL.—Fire which broke out in the shingle sheds of the Stetson, Cutler Company's plant at Campbellton, N. B., caused a loss of $70,000. The company is a subsidiary of the Fraser Companies; the latter owns all the capital stock.

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Food Products

CITY DAIRY STOCK IS FORCED UP BY BUYING MOVEMENT

Feeling That New Competition Will Not Seriously Affect Earnings

On the surface there is no immediate explanation of the recent strength of City Dairy common which this week reached the highest point since last February, 78, and sold heavily at that price. There has been no official information given out with regard to the position of the company, nor has any other information been issued which would warrant a 6 point rise within three days. There has been a buying movement on the part of interests wishing to get in at present prices.

It will be recalled that some months ago the advent of new and keen competition led to a selling movement in City Dairy shares. These new concerns entered the milk distribution field in a large way, and there was a feeling that this would inevitably affect the distribution of City Dairy's product. As a result, City Dairy common sold down to around 75 after having reached much higher levels. More than six months have now passed during which time the shares sold as high as 80, a fact which more or less inferred confidence on the part of investors that City Dairy would not be seriously affected. After reaching this high level the stock slumped to around 68 with the general market movement, and remained there for some weeks, in fact, until the recent buying movement referred to.

Profit Not All in Milk

This trend on the part of the stock seems to indicate the feeling that increased competition has not made any serious encroachments upon the operations of the company. In this connection there are two facts to be taken into consideration. One is that the city is growing, and the market for milk has expanded accordingly. There seems to be ample room for all, not only to maintain their position, but to expand steadily. It may be contended that the same volume of milk and other basic food products will be consumed in good and bad times alike. This is not borne out by the facts. General business has been expanding gradually, and purchasing power has been increasing. This means that that class of citizens who found it necessary to skimp on food products are now able to spend more money on such products as milk. There is much less unemployment in Toronto to-day than there was six months ago. This means that there is actually more money to be spent on the basic food products.

The other fact which has to do with the position of the company's business at present relates to the source of profits in the dairy industry. City Dairy is engaged in the production of ice cream, powdered milk, butter, etc. These products are responsible for a large proportion of the profits, and they have not suffered particularly from the competition referred to. Their market is much wider than the city of Toronto. Furthermore, in so far as ice cream is concerned, the present warm weather creates the largest demand of the year, and demand for these products is larger than ever before. The tourist traffic is a big factor in this.

City Dairy grows with the times and continuously adds to its facilities any improved equipment that is developed for the scientific handling of milk. The plants in the city and at country points are in excellent condition, well equipped, and operated by organizations thoroughly experienced in the manufacture and distribution of high class dairy products. Sales of the company's products in 1925 exceeded those of any previous year, and it is probable that a similar rate of output has continued during the first half of 1926.

Canadian Canners Expects Good Year

A favorable feature of the business of Canadian Canners is that there will be ample products to meet all requirements, according to current indications. Last year there was a shortage in certain lines such as peas. This year the company contracted for a large acreage, and it is anticipated that the volume of the pack at the end of the season will be up to requirements. A report recently issued points out that the recent hot, dry spell tended to shorten up the pack of peas, with the grade running close to standard quality. Corn prospects are stated to be uncertain. The late season throws back the corn packing date to late in September, when there is a danger of early frosts. Tomatoes were also in the same position, according to the report. The outlook is somewhat brighter than for corn in view of the larger acreage. There is a large carry-over from the last season in the company's warehouses, and it is expected that this will take care of any possible shortage. Smaller lines have turned out satisfactorily. The current strength of the stock indicates that the report has helped general confidence, if anything.

Maple Leaf Milling Working at Capacity

Maple Leaf Milling is one of the few strong spots in the milling stocks at the moment. There is little yet to go on as a basis of measuring the possible success of the industry during the coming season. Maple Leaf has recently pressed into service their additional 6,000-barrel capacity. Some improvement in the export situation is indicated by the June trade figures. During the month the Dominion exported 27,791,702 bushels of wheat, against 9,783,638 bushels during the same month a year ago. Flour exports amounted to 1,029,490 barrels in June against 596,001 barrels for last June. The value of these exports was $7,217,326, against $4,560,239 a year ago.

Canada Biscuit Buys D. S. Perrin Company

President Frank A. McCormack, of the Canada Biscuit Company, has just announced the purchase outright of the D. S. Perrin Company, Ltd., of London, Ontario, manufacturers of biscuits and varieties of confectionery. The Perrin plant, it was announced, will continue as at present. This most recent purchase brings the assets of the biscuit merger to approximately $9,000,000.

LARGER DIVIDEND ON B.C. FISH EXPECTED

Largest Catch on Record is Anticipated for Present Summer

Further strength in the shares of B. C. Fishing to a high for the year of 76½ lends support to the rumor that the dividend will be increased shortly. It is stated that the summer catch will be the best for some years, and the opinion is expressed that the company may earn as high as $15 to $20 on the common stock. The business of the company is in a very satisfactory position.

During the year, so far, the common stock of the company, which is the only security outstanding, has ranged from $60 a share to $76. It is now on an annual $5 dividend basis, and those who purchase the stock at present get the advantage of the next $1.25 quarterly dividend payment, which is due September 10. There are no bonds or preferred shares outstanding. The total common is $4,291,000. The company's assets would appraise at more than $5,000,000. More than $2,000,000 of this is working capital. This gives the stock a book value of nearly $115 a share, of which about $50 is in the form of net quick assets. The acquisition of the Wallace Fisheries is considered to have been a good business move for the company, especially as the purchase price was particularly favorable to B. C. Fishing.

A favorable factor in the situation is that the company have contracted to sell the year's fish pack at higher prices than those realized last year, when the earnings of the company were $578,000 before deductions. If present earning prospects are realized, earnings will amount to between 20 and 25 per cent. of the current value of the stock. The highly favorable comment of Messrs. F. R. Graham and Co. is as follows:

"A combination of factors, viz., all common stock, excellent financial position, 6.66 per cent. yield at current levels, and increasing earning power, makes B. C. Fish one of the most obvious purchases on the market. We would buy it in anticipation of its reaching a level of 100 per cent. Earnings and financial position justify an increase in the present rate of dividends, which we believe will be raised to 7 per cent. annually in 1927. At present price of $75 the stock, on a 7 per cent. basis, would yield 9.33 per cent."

Loblaw Groceterias Plans to Continue Expansion

Referring to the outlook for Loblaw Groceterias, Watt & Watt say: "Since the end of its fiscal year the company has redeemed $240,000 second preferred stock and has increased its common stock to 158,400 shares. This company is continuing its policy of expansion. On the new stock issued the company is paying $1 per share per annum. These shares are selling at around $30, and we regard them as having favorable speculative possibilities."

Canada Dry Reports Big Increase in 1926 Business

Canada Dry Ginger Ale, Inc., reports for the first half-year of 1926 a gain of 40 per cent. over the corresponding period of last year. In a report to shareholders, President Saylor states that sales for the first half of this year reached the record total of $4,295,498, which compares with $3,108,170 for the corresponding period of 1925.

During the half-year the company's working capital was turned over 2.83 times. Its average inventory was turned over 5.67 times. Net operating profit was $1,002,059 and, after interest, depreciation and taxes (both Canadian and United States Federal), a balance of $846,406 was carried to surplus. Total surplus as of June 30 was $1,376,348. The company's balance sheet disclosed current assets of $1,978,740, which was 2.34 times current liabilities, which totalled $845,563.

Beverage Companies' Merger Planned in Maritimes

HALIFAX. — Under the name of the Maritime Beverage Corporation, Ltd., recently incorporated, it is reported that beverage firms in various parts of the Maritime provinces are entering into a merger. J. E. Petrie, of Sydney, is back of the project but names of the companies entering the merger have not yet been announced. The authorized capital is placed at $1,000,000.

Plans of the merger cannot be confirmed by enquiries among soft drink manufacturers in Halifax.

Public Utilities

(Continued from Page 5)

Northern Mexico Power in Much Stronger Position

Northern Mexico Power and Development Company increased its power output through the installation of additional equipment. The new addition will constitute one of 4,000 h.p., and will be carried out by the company during the course of the next few months.

Recently the stock has been firmly bid around 45 per share and the market has shown some signs of activity. The increasing interest is said to be in discount of a better outlook for the company as a whole and the promise of a dividend on the common, as it is realized that the additional power will add approximately $350,000 to the company's annual revenue, or above $300,000 net. Officials of the company state that this development insures a dividend for the common stock and also will have the effect of placing the capital investment account in a safe position.

The company has made considerable progress during the past couple of years, and has completely liquidated heavy accumulations of preferred dividend arrears.

Duke-Price Power Co. Will Sell Capacity Soon

From Our Own Correspondent.

MONTREAL. — The president of the Aluminum Company of America and its Canadian subsidiaries, A. V. Davis, made a point which will prove of interest to many investors when he declared that, in spite of the big power contract which his company has with the Duke-Price Power Company, work has already begun on the Aluminum Company's own power site at Chute a Caron already, between 500 and 1,000 men have started work.

The most significant thing about this statement is the fact that originally, the parent company of the Duke-Price Power owned the Chute a Caron development and the latter was only sold to the Aluminum Company on the condition that the entire output of the Duke-Price plant be sold before any power be distributed from the Chute a Caron site.

Thus, investors who are interested in the Duke-Price Power Company, or its inter-related companies, can see that the entire capacity of the plant will be disposed of within the comparatively near future.

The Aluminum Company is already obtaining delivery of some 50,000 horsepower from the Duke-Price transmission line which carries power also to the new newsprint mill of the Port Alfred Pulp and Paper Corporation. The manufacture of aluminum ingots from the raw material, bauxite, is being carried out to some extent and further development of various processes of the industry will proceed rapidly.

Montrealers Purchase Big Sherbrooke Concern

From Our Own Correspondent.

MONTREAL.—A syndicate of Montrealers, headed by J. C. Newman, of the McClary Manufacturing Company, and including Senator Webster and Gordon W. Scott, has purchased the control of J. S. Mitchel for a sum which is said to be in the neighborhood of $1,250,000. Mr. Newman becomes president of the organization, and G. W. Murphy, vice-president and general manager. Mr. Murphy has long been associated with the business, which has the reputation of being not only the largest business of its kind operating in the eastern townships of Quebec, but also of having almost a monopoly of the hardware and coal business in the townships; in addition it deals in many other lines.

The negotiations for the purchase of control of the company were inaugurated and consummated by the Montreal investment house of Williams, Partridge and Hodgson. The original intention of the bond house was to carry out public financing, but it was later decided to leave the control in the hands of the syndicate for the time being at least. It has not been decided yet whether or not public financing will be undertaken.

Public Utility Earnings

ALABAMA POWER

June	1926	Increase
Gross earnings	$1,039,529	$ 111,460
Oper. exp. and taxes..	531,548	26,624
Net earnings	$ 507,981	$ 84,836
12 Mos. end. June 30—		
Gross earn.	$12,822,899	$3,044,980
Oper. exp. & taxes....	6,941,876	2,015,967
Net earn.	$ 5,881,023	$1,029,013

CAN. WESTERN NATURAL GAS

	1925	1926	Decrease
Jan.	$163,953	$138,443	$25,510
Feb.	171,679	126,850	44,829
March	148,335	111,770	36,565
April	91,602	106,121	x14,519
May	61,584	52,898	8,686
Jan. 1 to May 31	637,153	$536,082	$101,071

xIncrease.

MONTEREY RAILWAY

3 mos. to Mar. 1926—	Gross	Work. Exp. q	Surp.
Rail. Light & Pr.	$220,486	$240,474	$x19,987
Water. & Sewage	62,339	36,805	25,534
Total	$282,826	$277,279	$5,546

xDeficit.
qIncluding provision for renewal and obsolescence.

DOMINION POWER & TRANSMISSION

June—	1926	Inc.
Gross earn.	$261,007	$ 18,279
Oper. exp.	172,739	x1,304
Net earn.	$ 88,268	$ 20,033
6 mos. ending June 30:		
Gross earn.	1,574,711	$ 85,853
Oper. exp.	1,007,494	x21,847
Net earnings	$567,217	$107,700

x—Decrease.

WINNIPEG ELECTRIC

June—	1926
Gross earnings	$424,396
Net revenue	136,411
Fixed charges and taxes after deducting other income	97,741
Net inc. from operation	38,669
Monthly proportion Manitoba power guarantee	18,175

The net earnings from operation after providing for operating expenses, taxes, etc., show an increase of $16,134 during the month of June, compared with the same month last year.

B. C. ELECTRIC

May—	1925	1926	Change
Gross Earn.	$920,488	$966,372	+$45,884
Exp. Man.	676,085	731,517	+$55,432
Net income	244,403	234,855	— 9,548
Agg. Gross from July 1 to May 31, 1926	10,355,610	11,075,677	+720,067
Agg. Net from July 1 to May 31, 1926	3,002,441	3,137,290	+134,849

TWIN CITY RAPID

	—2nd Quarter 1926	1925	Per Cent. Inc. or Dec.
Gross revenues	$3,091,506	$3,030,475	02.01
Operat. exp.	2,266,839	2,235,650	01.40
Net revenues	824,680	794,825	03.75
Fixed charges and taxes	551,480	554,091	x00.47
Net income	273,185	240,783	13.48
	—Yr. to date (6 mo.)— 1926	1925	Per Cent. Inc. or Dec.
Gross rev.	$6,597,165	$6,384,466	03.33
Operat. exp.	4,746,786	4,599,710	03.20
Net rev.	1,850,378	1,784,755	03.68
Fixed charges and taxes	1,127,933	1,126,531	00.12
Net income	732,445	658,223	09.76

xDecrease.

BRAZILIAN TRACTION

June	1926	1925	Inc.
Gross earn.	$3,487,237	$2,386,113	$1,101,124
Oper. exp.	$1,449,784	$1,035,668	$ 414,116
Net earn.	2,037,453	1,350,445	687,008
Agg. gross from Jan. 1	19,025,946	13,908,282	5,117,664
Aggr. net from Jan. 1	10,937,920	8,044,299	2,893,621

The following table shows earnings for the month of June and for the previous twelve months, with comparisons:

1925	Gross	Net	N. Inc.
June	$2,386,113	$1,350,445	$x 144,818
July	2,250,132	1,390,790	885,550
Aug.	2,805,346	1,585,830	234,081
Sept.	2,846,091	1,514,288	69,554
Oct.	3,100,963	1,568,072	117,671
Nov.	2,911,695	1,554,038	132,209
Dec.	3,111,251	1,714,418	310,888
Jan., 1926	3,163,670	1,792,288	298,795
Feb.	2,893,557	1,678,787	394,445
March .. .	3,077,791	1,763,343	417,416
April	3,021,732	1,715,372	467,494
May	3,381,959	1,950,677	628,463
June	3,487,237	2,037,453	687,008

xDecrease.

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News of the Mines: *A Department for Executives and Investors*

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

MINE SHARES ARE SHOWING STRENGTH PRICES ARE HIGHER

Much Talk of Boom—Quebec Field Looks Quite Interesting

The mining market has shown considerable strength this week. Prices generally took a spurt and though they reacted as quickly, a review of the list shows that part of the week's gain has been retained. Noranda is selling $1 above the week's low while McIntyre and Hollinger are both higher. Lake Shore is well above the $12 mark, but there has been little movement in Wright-Hargreaves. Teck-Hughes got within eight cents of the dollar mark and figured in heavy trading. Kirkland Lake holds around $1. News in regard the mill should soon be forthcoming. Mining Corporation has been in demand. The Financial Post has repeatedly pointed to the position of this operation. The yield is excellent and it has great speculative possibilities.

Nipissing, Canadian Lorrain and Keeley have all been stronger. The former is operating next to Canadian Lorrain and its developments are being watched closely.

Dome shares have sold down close to $10, but the outlook is that this is somewhere near the bottom.

All kinds of predictions are being made in regard a big bull market in the fall. Many think a big market may be expected if developments in Red Lake come up to the mark. On the other hand, there are many who predict that Quebec shares will provide a large market in the spring. This would seem to be reasonable. There has been a tremendous amount of work going on this summer in Quebec and by fall there should be a number of new spectacular showings. This is a reasonable expectation when it is considered that there are 200 prospects in the Quebec field that have showings that justify the expenditure of considerable money.

Says Northern Manitoba to Make Winnipeg Great City

WINNIPEG.—Fresh from an inspection of the central Manitoba mining field, with special attention to the Long Lake field, Julius P. Cohen, mining engineer, Montreal, expressed great satisfaction and surprise at the progress made since his last visit a year ago.

"Manitoba has got a real mining field," declared Mr. Cohen, "and it is going to make Winnipeg. If development continues as it has set out, it will add 50,000 to Winnipeg's population. Just as north Ontario made Toronto, so will Manitoba's mines will make Winnipeg.

"The most cheerful aspect of the present situation is that work is no longer being confined to a small area round the Kitchener and Cryderman properties. All over, from the Ontario boundary to the Wanipigow River, outfits are at work. The east is interested, and more than one property is being developed by eastern capital."

MARCLAY MINES WORKING

After spending nearly two weeks on the Boischatel properties of Marclay Mines, Thomas Powell has returned to Toronto enthused over the surface showings on both the east and west group owned by this company. Mr. Powell brought with him samples of ore that assayed $21.32 in gold. This particular ore was taken from claim No. T.3676. Wm. Scanlon is in charge of a crew of men who are working on the properties.

MINING STOCK QUOTATIONS
WEEK ENDING JULY 27

	High for wk.	Low for wk.	Close July 27	Close July 20	Sales for wk.
Amulet	1.32	1.26	1.30	1.30	44835
Area	27¾	25	27¾	28	24100
Algonquin	4½	3½	4½	4⅝	36000
Argo Cons.	23	19	20½	19¾	77650
Atlas	3	3	3	2⅝	5500
Baldwin	3⅞	3	3	3⅛	124500
Barry Hol.	53	46	51	47	92000
Beaver	80½	75	78	81	26250
Bidgood	5	5	5	5	3500
Boston Creek	3	3	3	2¾	7000
Bourlamaque	10.15	10.05	10.15	10.15	3080
Chaput-H.	8	6½	8	7	5000
Can. Lorrain	91	89	90	90	11100
Capitol	41	40	40	41	13800
Castle Tre.	1.57	1.51	1.53	1.53	25525
Clifton	2	1¾	2	1¾	7500
Coniagas	3.85	3.80	3.85	3.75	300
Coniarum	3.30	3.30	3.30	3.30	400
Col. Kirkland	3	2½	2⅞	2¾	55700
Cons. Smelt.	220	215	219⅝	219	11206
C. W. Dome	15½	14¼	15½	15¼	146228
Crown Res.	10¾	9¼	9¾	10¼	17500
Dome Mines	11.00	10.10	10.25	10.90	13018
Dupuy	39	34½	39	34¼	13400
Don Rouyn	26	24	24	31¾	1000
Everett	7	6¼	6¼	7	13000
Gold Hill	73½	64	64	65	202358
Goldale	27	26½	27	26½	16700
Gold Reef	2½	2	2½	2½	11000
Hill Top	31	30	30	30	48100
Hollinger	19.75	19.30	19.75	19.75	1167
Kirk. Hun.	19	10½	15	14	70250
Indian	5⅛	5	5	5½	9500
Laval	25½	24	24¼	24	20950
Int. Nick. com.	38¾	37¼	38⅜	38½	1560
Keeley	1.73	1.62	1.66	1.72	16350
Keora Porc.	11¾	10⅛	10*	10	117600
Kirk. Lake	1.02	.99	.99½	1.00	48800
Lakeside	3¼	2⅞	3	3¼	32000
Lake Shore	12.50	11.65	12.35	11.60	42125
La Rose	10½	9⅞	10½	11	10800
Lorrain	3¾	3½	3¾	3¾	6500
Lorrain T. L.	50	50	50	75	100
McKinley	13	12½	12½	15	21000
McIntyre	25.90	25.55	25.70	26.00	2450
Keora	22	21	21¼	..	11100
Mont. Rouyn	27⅛	27⅛	27⅛	25	600
Noranda	17.20	16.05	17.05	17.00	29389
Millcrest	10	9	9	9	2000
Min. Corp.	4.08	3.85	4.08	4.02	32689
Moneta	14	14	14	15	100
Newray	33	33	33	32	5000
Nipissing	5.50	5.38	5.45	5.60	1370
Night Hawk	10	8	8	7½	24700
Ophir	2	1⅞	1⅞	2	3000
Peter. Lake	5½	5	5	5¼	33600
Pioneer	69	69	69	69	100
Porc. Crown	7¼	6½	7¼	5½	7000
Prem. Gold	2.15	2.11	2.15	2.11	2200
Preston	6½	5	6½	5¼	12500
Rouyn	4½	3	3	3¾	12500
Teck Hughes	3.92	3.82	3.83	3.90	41892
Thomp. Krist	2	2	2	1¾	4000
Tough Oakes	39	38½	39	38½	21000
Stadacona	43	42	42	42½	....
Vic. Silver	5	4½	5	5	10500
Vipond Cons.	1.81	1.75	1.79	1.80	27493
Wakenda	2	2	2	2½	1000
West Tree	2¾	2½	2½	2¾	5000
Wettlaufer	6	5¾	5¾	6	3000
Wright Har.	8.50	8.40	8.40	8.48	2740

Canada's Gold Output More Than Doubled in Five Years

Canada's gold production in 1925 once more established a new high record with a total of 1,735,735 fine ounces which was worth $35,880,826 as against the 1924 production of 1,525,382 fine ounces worth $31,532,443, according to a report just issued by the mining, metallurgical and chemical branch of the Dominion Bureau of Statistics. The totals have been increasing each year:

	Output Oz.	Value $
1918	699,681	14,463,689
1919	766,764	15,850,423
1920	765,007	15,814,098
1921	926,329	19,148,920
1922	1,263,364	26,116,050
1923	1,243,341	25,702,139
1924	1,525,380	31,532,402
1925	1,735,735	35,880,826

Ontario contributed 1,461,039 fine ounces, an increse of 219,311 ounces over total for 1924 and made a new high production mark for the province. The Porcupine field accounted for 1,196,199 fine ounces and comprised the output of the Hollinger Mine with over 757,000 ounces, the Dome with 210,000 ounces, the McIntyre with 179,000 ounces, the remainder being made up by the smaller mines of the district. Production in the Kirkland Lake area amounted to 257,809 fine ounces, the leader in this camp being the Lake Shore with a production of more than 94,000 ounces followed by the Wright-Hargreaves with 92,000 ounces, the Teck-Hughes with 48,000 ounces, the remainder being made up by Argonaut and Tough-Oakes-Burnside. The Barry-Hollinger of Boston Creek and the Champion Gold Mine in the Kenora district were also producing in 1925. Gold is also recovered in the refining of the nickel-copper ores of the Sudbury district.

In British Columbia, gold is recovered from the placers, in ores and concentrates exported to foreign smelters, as bullion from gold milling ores and by the smelters treating gold-copper ores and silver-lead-zinc ores. The 1925 output amounted to 219,227 fine ounces as against a production of 245,719 ounces in 1924.

Production from the Yukon Territory consisted entirely of placer gold and amounted to 47,817 fine ounces, an increase of 12,992 ounces over 1924.

A small production was reported from the provinces of Nova Scotia, Quebec and Manitoba.

Production of Gold, 1925

Province	Fine Oz.	Value $
Nova Scotia	1,626	33,612
Quebec	1,602	33,116
Ontario	1,461,039	30,202,357
Manitoba	4,424	91,452
British Columbia	219,227	4,531,824
Yukon	47,817	988,465
Total	1,735,735	35,880,826

SMELTERS SHOWS HIGHER EARNINGS

Real Test as to Current and Past Year Will Come During the Latter Six Months

MONTREAL.—The brief statement of earnings for the first half of the year issued by the Consolidated Mining and Smelting Co. of Canada, says:

"After making deductions for depletion, depreciation, contingent account and taxes, on the basis of last year's statement, and after also deducting $677,144 for addition to property through profit and loss, the estimated profits for the first six months of 1926 are $5,638,237.

"Computed in the same way, the profits for the first six months of 1925 were $3,960,763 after deducting $1,327,723 for additions to property through profit and loss."

It will be seen, therefore, that the net profits for the half year showed an increase of $1,677,474, or equivalent to over 40 per cent. As was anticipated, the relatively lower prevailing prices for base metals reduced the earnings during the period. Had lead and zinc prices been the same as during the first half of 1925, the increase would have been much greater, for the production figures for the first half of the current year, it will be recalled, showed an increase of 34 per cent. for lead, 90 per cent. for zinc; over 100 per cent. for silver, and over 200 per cent. for gold. Again, another main feature which entered into the earning power of the company is the mining and smelting costs which naturally vary in accordance with the grade of ore which the company finds in its mine.

The outlook for the second half of the year is brightened because prices of both lead and zinc have improved materially recently and in addition the production of lead at Trail will be increased by 50 tons per day shortly.

The world zinc situation is gratifying, for despite the fact that British consumption has been reduced by about 50 per cent. since the coal miners ceased work on May 1, world stocks of zinc have been reduced. When the coal strike is settled in Great Britain it should undoubtedly increase the demand for zinc.

WORLD ZINC OUTPUT DROPS

World production of zinc in June aggregated 106,200 short tons, as compared with 114,400 in May, 115,300 in April and 117,700 in March, according to the American Bureau of Metal Statistics.

The countries reporting, including the United States, Great Britain, Canada, Mexico, Belgium, Germany, Polish Silesia and Australia, produced 90,719 tons in June, as compared with 98,893 in May, 100,342 in April and 102,725 in March. The total for reporting countries for the six months was estimated at 588,410 tons, or an average of 98,068 tons per month, compared with an average in 1925 of 90,512 tons.

Large Sheared Zone is Opened in Boischatel Tp.

Development work on the north group of Rouyn Boischatel Development Co. in Boischatel Township, is producing highly satisfactory results. A well mineralized sheared zone 50 feet in width carrying chalcopyrite and bornite has just been discovered. From the nature of the ore it is anticipated that the assays will run high in copper content. Work is being concentrated on this sheared zone, while a dip-needle and magnetometer survey is being made on the northern group of the company's holdings. This would appear to be a most important discovery and bears out the opinion of the prominent engineers who have examined this area.

New Concern Has Well-Located Quebec Groups

Boischatel Mines, Ltd., has been incorporated under a Dominion charter having approximately 1,000 acres of excellently located ground in Boischatel Township, comprising three groups. One group adjoins the Towagamac, another adjoins the Noah Timmins properties and the other group lies slightly to the west in the same mineralized area. Surface work so far has disclosed ore for a width of more than 100 feet and at the present time a group of men are doing trench work and sinking test pits in order to determine the width and length of the ore bodies. It is proposed to follow this by diamond drilling.

Hon. P. J. Veniot, ex-premier of New Brunswick, is president of the company and arrangements are under way to provide the necessary funds for the development program.

Additional Strength Now in Don Rouyn

MONTREAL.—The position of the Don Rouyn Gold Mines has recently been materially strengthened by the appointment of the following newly constituted board of directors:

President, Dr. F. J. Pattee, Hawkesbury, who has been identified with the company since its inception; vice-president, R. L. Blackburn, Ottawa; Hon. H. H. Stevens, M.P.; Colonel D. R. Street, secretary-treasurer, Ottawa Light, Heat & Power; J. G. Ross, director, Ottawa-Montreal Power; W. J. Hamilton, Montreal, metallurgical engineer; and Alexander Gray, mining economist, Montreal.

The last two named will act as managing directors, or the operating committee, for the time being, and will proceed with a thorough exploration of the Don Rouyn number one group of claims, situated immediately to the west of Noranda and the east of the Amulet block "C" and Fiske. This group is believed to have all the elements necessary to make a mine; first proofs of this portion of the company's holdings were recently obtained by diamond drilling and surface work and the announcement of the satisfactory results so obtained was made within the last month or two.

It is understood that the new interests which have become associated with the company and who have decided upon their own technical organization, have placed the company in a satisfactory working capital position.

Don Rouyn Gold Mines owns eight groups of well situated properties in the new Northern Quebec mining areas and it is the intention of the new board to ascertain the potentialities of all these holdings as soon as possible. Diamond drilling will be resumed at the number one group on the extensive zones of mineralization which have already been commended by independent engineers, one of the features of one of the ore bodies being its high copper content. The company is presently engaged in putting down drills which will probe to a greater depth than the original outfits.

Alexander Gray is on the properties engaging further men to expedite the surface work. It is anticipated that shortly two drills will be operated on the Number One group of claims. Men will also soon be at work on the Malartic and Destor properties; work here will be concentrated principally in Malartic township where excellent gold showings were obtained last year.

Finis on Hattie

Hattie Gold Mine properties are to be sold under the Bankruptcy Act, thus ending a sad speculative experience of many who purchased the shares up to above 40 cents. Litigation, following alleged manipulation of shares and prices, resulted in the failure of the financing of the venture. The Post frequently advised that, while the property had some merit, a real mining effort was not being made, and, for this reason, refused the promoters permission to use the advertising columns of The Financial Post to make an offering of their shares as they proposed to do.

The Discovery of Tin at Smelters Sullivan Mine

OTTAWA.—Referring to the discovery of tin at the Sullivan mine of the Consolidated Mining and Smelting Co., the mining branch of the Dominion Bureau of Statistics says:

"Small amounts of tin are contained in the ores of the Sullivan mine of British Columbia and during 1925 successful arrangements were made to save it. It occurs in the form of cassiterite as a table concentrate from the mill treatment of the Sullivan ore. As the production of this concentrate is incidental to other concentration and as it has no commercial value until methods of reduction are perfected, it has not been included in Canada's mineral production for 1925."

Profit Suggestions

which should prove helpful to those interested in the mining stocks, are given in our

Gibson's Fortnightly Mining Review

being mailed to clients.

In this publication the present market situation is outlined and the probable effect of constructive developments on a number of carefully selected issues analyzed.

A request will suffice to have your name included on our list to receive "the Review."

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News of the Mines

DISCOVERIES ON MABERLEY CLAIMS MUCH LIKE HOWEY

Good Pannings of Gold—Mirage Values Extend to Depth

WINNIPEG.—Discovery of a huge body of quartz is reported to the Free Press from the Maberley claims, southeast of Long Lake, owned by Jack Blair and William McConnell. The width of the break is 157 feet. Good pannings of gold have been made across the whole width and in places visible gold showings have been found.

Further news from the Mirage group, east of the lake, is brought by Chris. Hodgins and George Meade, discoverers and locators, who report there is now no doubt that the remarkably rich gold showings originally reported extend to depth.

Maberley Staked in 1924

The Maberley claims were staked by the present owners about two years ago, and the showing is considered similar to that existing on the Howey Red Lake property, according to mining engineers who have been on the ground.

Blair and McConnell are veteran prospectors who have had wide experience in mining since they went into the Klondyke together during the famous rush of '98. Since then they have worked in the Cariboo and Manitoba districts, and have earned the reputation of being among the most able and conservative prospectors in the country. At the present the two men are working on their present find, engaged in stripping and trenching the vein.

Mirage Test Shaft Sunk

On the Mirage group, according to Messrs. Hodgins and Meade, the test shaft is now completed, and the showing continued from the surface to the bottom of the shaft unchanged for the width of the shaft. Mr. Hodgins states that Messrs. Hodgins and Green, engineer and geologist, respectively, of the Victoria syndicate, had made an examination, and the opinion was expressed that values would go to depth.

The Mirage group, which was optioned to an Ontario syndicate headed by Hugh A. Sutherland, of Toronto, is remarkable in that gold is found in the unusual form of crystals, while the absence of iron and copper sulphides was also perplexing.

MUCH DRILLING IN DUPRAT, QUEBEC

Big Surface Program on Duprat Groups Area and Smelters Drilling

Duprat's consulting engineer has prepared a detailed geological map and report on the company's holdings. He says that ore so far found is in the shape of bed-like deposits in either rhyolite or andesite, or more particularly between beds of two distinct flows consisting of one or both the above mentioned geological formations. It seems in each and nearly every instance this has been accompanied by a diabase intrusion in the immediate vicinity of the ore or adjacent to it. In other words, it is in the vicinity of these flows, the andesitic or rhyolitic, at the point of some gasic intrusion (preferably diabase) that we look for ore outcrops. It is under similar conditions to the ones mentioned above that ore has been found to date in Rouyn. He emphasizes the importance of three areas opened on the south group. On the southeastern portion of the south group there is a considerable body of rholite and andesite where mineralized rhyolite with irregular amounts of chalcopyrite and pyrite is found. To the northwest a considerable area of rhyolite makes its appearance which is in turn covered by andesite flows as progress is made easterly and northerly, except in occasional instances where rhyolite can be seen. In this area a basic dioritic dike (strike north) cuts the overlying formations. This dike area, because of alteration in its immediate vicinity, looks very promising and further development work is being pushed on this particular section at the present time. (This diorite bears a fairly close relationship to the diabasic intrusives).

The major part of the north property is covered by thick flows of rhyolites with minor amounts of andesites. The rhyolites, in turn, particularly on the eaterly side of the property, form an inter-mingled and irregular mass with intrusions of granodiorite.

Several small dikes of a basic nature (a fine grained diorite) cut and intrude the rhyolite in numerous places and it is in the vicinity of these basic intrusives that work is being carried on. This work is being conducted more particularly on the eastern central portion of the property.

Surface development, including trenching, test pitting and stripping is being carried on on the mineralized areas of the south and north groups. The altered area of andesite on the south group in the vicinity of the diorite dike is also being trenched with test pits.

The fact is noted that the nearby Area Mines and Consolidated Smelters who have an altered rhyolite with disseminated mineralization are starting extensive diamond drilling. Duprat will drill later.

PETERSON LAKE TO BE RE-OPENED

Little Nipissing Section is to be Re-opened as Soon as Possible

Peterson Cobalt Mines, the reorganized Peterson Lake, have received a substantial cash payment under financial contracts recently entered into with the underwriters, and Engineer Russell is preparing for an early re-opening of the property. Substantial bulkheads erected at strategic points makes it possible to pump out one section of the mine at a time and quickly. Work will be commenced in the northern section of the mine, in what is known as the Little Nipissing lease. The workings in this section have been driven close to the diabase and as the adjoining O'Brien is understood to have secured good values in similar diabase, the hope of the management is to locate similar ore bodies.

Peterson Cobalt is the second largest single property in Cobalt and the major portion of its claims have never been developed nor adequately explored. The property is entirely surrounded by Nipissing, which has been the largest silver producer in the camp, while the rock formations appear to be identical with many of the adjoining large producers of silver. It is well known that one of the major faults in the Cobalt camp lies north and south under the bed of Peterson Lake. This is a Keewatin-Diabase contact from which series of rocks and from which the greater amount of Cobalt's recent silver production has been drawn.

Up to date the property has been operated almost entirely by various leases. Large amounts of silver have been produced from a comparatively small portion of the claims, but, so far the diabase has not been adequately developed. On the adjoining O'Brien mine, the diabase is given credit for approximately 75 per cent. of the production. The diabase on the Peterson Cobalt seems to be similar and as it lies in contact with the Keewatin, all the conditions appear to exist for the discovery of ore bodies. The present underground workings have been driven practically up to the contact. Accordingly, the development of the diabase—through these old workings—can be effected cheaply and readily. The company is fully equipped with mining plant and mill. The effort to re-establish it as a large silver producer is being watched with interest.

Canadian Platinum Output Largely From Sudbury Area

OTTAWA.—Finally revised statistics on the production of the metals of the platinum group as reported by the mining, metallurgical and chemical branch of the Dominion Bureau of Statistics at Ottawa show that except for a small amount of platinum which was recovered from placer deposits of the Tulameen and Quesnel Rivers of British Columbia, the output was derived from the copper-nickel-ores of the Sudbury district.

	Platinum	Palladium, etc.
(a) From Canadian ores treated in British and United States refineries		
Fine ounces	8,692	8,288
Value	$1,027,477	$648,969
(b) Recovered from British Columbia placers		
Fine ounces	6	......
Value ....$	715	......
TOTAL, fine ounces..	8,698	8,288
Value	$1,028,192	$648,969

Barry Hollinger, on the 800-ft. level, has encountered a new ore body. It is a five-foot vein with good walls. The mineralization is very strong, and the quartz is of splendid appearance. On one side there is a good deal of red porphyry. This vein is something entirely new. As far as it has been exposed it appears to be the best encountered in the mine.

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Canada Now Recognized as One of World's Great Gold Producers

May This Year Have a Greater Output Than the United States While the Possibilities of Future Years Are Unbounded, Says The Statist

As gold is the basis of currency throughout most of the world and production has a direct bearing on supply, figures compiled by The London Statist, showing aggregate output from the start of mining to 1925 inclusive, is of interest:

Grand Aggregate of Gold Production

	Value of total output £	% of world aggre.
Transvaal (from 1884)..	843,000,000	21.4
Rhodesia (from 1898)....	61,000,000	1.5
West Africa (from 1880).	28,000,000	.7
Australasia (from 1851)..	705,000,000	17.9
Canada (from 1890)	105,000,000	2.7
British India (from 1880).	67,000,000	1.7
Total, British Empire..	1,809,000,000	45.9
United States (from 1847)	875,000,000	22.2
Russia (from 1600)	463,000,000	11.7
Mexico (from 1877)	97,000,000	2.5
Other countries*	700,000,000	17.7
Grand World aggregate (from 1600)	3,944,000,000	100.0

*Including production of the countries mentioned prior to the dates given.

Up to date, the United States has contributed £875 million to the total supply of gold, this being the largest of any single country. The Transvaal has supplied 21.4 per cent. and the British Empire roughly half.

One cannot fail to be struck with the very wide fluctuations in the annual output of the chief countries. Australasia furnishes a prominent example: the production last year was £2,874,000; in 1903 it was £18,332,000; in 1886, £5,337,000; and in 1856, £12,904,000. Again, the United States output last year was only half what it was ten years ago. The Canadian production last year was double what it was in 1920. Such examples could be multiplied indefinitely. The following table shows the relative importance of the chief producing countries in recent years and before the war:

Relative Importance of Chief Gold-Producing Countries

	1925 %	1924 %	1923 %	1913 %
Transvaal	50.3	49.8	49.9	39.9
Rhodesia	3.0	3.3	3.5	3.1
West Africa	1.6	1.9	1.7	1.8
Total, Africa ..	54.9	55.0	55.1	44.8
Australasia	3.6	4.0	4.7	11.6
India	2.1	2.1	2.3	2.5
Canada	9.1	7.9	6.7	3.6
Total, Brit. Em.	69.7	69.0	68.8	62.5
United States ...	12.5	13.1	13.7	19.5
Mexico	4.1	4.1	4.1	3.9
Russia	5.6	5.0	4.3	5.6
Other Countries..	8.1	8.8	9.1	8.5
	100.0	100.0	100.0	100.0

Some striking changes since before the war are exhibited. Thus the Transvaal output has risen from less than 40 per cent. of the world total to over 50 per cent. The Canadian production has risen from 3.6 per cent. to 9.1 per cent. The British Empire has gained considerably in importance, despite a big falling off in the Australasian production; it is at present supplying approximately 70 per cent. of the world's total gold production, and this figure will probably be increased in future years. The United States last year contributed only 12½ per cent. of the world's total, as against 19½ per cent. in 1913.

Despite wide fluctuations in outputs of individual countries the total annual production of the world showed a steady trend before the war. From 1854 to 1891 the yearly output kept between 20 and 30 million sterling. From 1890, when the production was £24,421,000, there was a steady rise year by year—except during the Boer War, and again in 1914—to the high record of £97,114,000 in 1915. After 1915, however, there was a very sharp falling-off. Production fell year by year to £66,723,000 in 1922, a decline of over 30 per cent. Since then there has been a good recovery. By 1924 the world's production had recovered nearly to the 1906 level.

Detailed information regarding the Canadian gold fields is given as follows:

The first important Canadian gold discovery was that of the Yukon alluvial deposits in the late 'nineties, which, however, quickly became exhausted in the richer areas. Important tracts of gold-bearing gravel still exist, and may yet yield substantial results under amalgamation and scientific treatment. The Yukon area was entirely eclipsed by the discovery of the Porcupine field in Ontario, in 1909, and the Kirkland Lake field in the same province in 1912. At present, Ontario is contributing over 80 per cent. of the total Canadian gold production, the Porcupine field being by far the most important. The prospects of further gold discoveries are generally believed to be almost unlimited. Confidence is inspired by the fact that about 2,000,000 square miles of Canadian territory is composed of pre-Cambrian rock, so that prospectors have to work on a formation of known characteristics and are not forced to rely on chance discoveries. Moreover, the discoveries so far made in Ontario point to the existence of two, and perhaps three, well-marked gold-belts in the Province, running from east to west, the existing fields being situated at the outcroppings. Recent discoveries in the Rouyn district have projected the southern belt into the adjoining province of Quebec, and further extensions both westward and eastward are expected. The remarkable results yielded in recent years are attracting capital for further development and prospecting, and production is facilitated by comparatively light taxation of the mines, easy conditions for holding claims, adequate rail and water transport, and abundance of hydro-electric power. This year it is expected that Canada will produce gold to the value of £10,000,000, and may rank as the second largest producer in the world, surpassing the United States, while the possibilities in future years are unbounded.

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Promote national unity.
Reduce taxation; curtail public waste.
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Develop production and manufacturing to the highest point in Canada.
Settle our vacant lands.
Encourage individual initiative.
Induce and protect investment of capital in Canada.

TORONTO, JULY 30, 1926

DANGER IN DELAY

SO CONSTRUCTIVE were the recommendations of the customs inquiry committee, that business men would feel keen disappointment if they were to be lost in the welter of election controversy and in the continuation of the probe under Sir Francois Lemieux.

To implement the recommendations made for the improvement of customs administration—that is to reduce the number of ports of entry, revise the appraisal system, enhance the efficiency of the preventive service, etc., is a matter of departmental administration that will require the close attention of the minister and his deputy backed by the entire cabinet. At the present time, the department is virtually without a minister since he is necessarily busy engaged in getting himself re-elected, and it has no deputy head clothed with authority to do things. Under these circumstances, business men expect some delay in rebuilding the department.

There is a further danger; danger that the work of the committee may go by the boards; that Sir Francois Lemieux will start at the beginning and institute his own inquiry into all the matters that have been touched upon instead of starting where the committee left off. This might lead to entirely different recommendations, and while the recommendations might be satisfactory, business does not want to give the substance of the committee's good recommendations for the shadow of whatever report the royal commissioner may make.

Sir Francois should hasten to make clear the boundaries of his work. The government should give assurance that the work of improving customs administration will not have to wait upon Sir Francois's report.

TREES FOR TO-MORROW

CANADIAN people are beginning to wake up to the necessity of giving permanence to our forests; of providing some wood for the next generation. Evidence of the widening interest in forest operations was given by the fact that a recent short editorial in The Financial Post, pointing out that paper mill operators in Mexico, under German influence, were planting a tree for every one they cut down, was reported in about two score leading Canadian newspapers in every province.

British Columbia recently sent its chief forester, P. Z. Caverhill, to Europe to study forest conservation methods in the more thickly populated wood growing countries of the world. He is now making a report to the Hon. T. D. Pattullo, his minister. Mr. Patullo would do a service for Canada if he would cause Mr. Caverhill's report to be made public, and thus give all Canada the benefits of a broad study by a leading forestry expert.

THE SPIRIT OF ADVENTURE

IN THE development of a young country like Canada, there must be something of the spirit of adventure on the part of those who would share in the harvest of the natural wealth. This point was made at the annual meeting of the Hudson's Bay Company in London recently by Governor Sale. Replying to a proprietor, who criticized the policy of the board on the ground that it contained too much of the spirit of adventure, he said that he thought that there was something to be said for the adventurous spirit. The company was formed in days when most people knew something about agriculture and when agriculture entered into the life of every person in the country. The following was an extract from a book written at about that time:

"If we only behold the actions of the husbandman in the seed time, when he casteth away much good corn into the ground, we will rather accompt him a madman than a husbandman, but, when we consider his labours in the harvest which is the end of his endeavors, we find the worth and plentiful increase of his actions."

On the face of it there is frequently no obvious difference between a wild speculation and a well-considered investment. It is all a matter of judgment—but judgment is usually based upon careful inquiry, a study of the available facts, and the weighing up of all possibilities for and against. The wise investor knows that he is taking chances—he does not look for a sure thing—but so far as possible he reduces those chances to the minimum.

THE IMPERIAL CONFERENCE

THERE is a large group in Canada that is opposed to the holding of any more Imperial Conferences. Others suggest that it should be postponed, since Canada may not reach political stability, even by this election. In this group is the Manitoba Free Press, which speaks for King and Sifton, and more likely means that Canada should not be represented at all at any future conferences.

Canada's business could go on and the Imperial Conference could still be held this fall. The biggest job before the conference is the building of inter-Empire trade. This is of vastly more significance to every part of the Empire than defense problems, armament programmes and international relationships, which will be dragged in by the experts, the rich men's sons and the super-educated, idle university debaters who, at present, dominate British governmental affairs. If there are to be any postponements, let the agenda of these bungling war-makers be postponed.

Canada's participation in a conference to discuss inter-Empire trade need not take the prime minister—whoever he may be after September 14—nor the leading members of his cabinet away from Ottawa. As a matter of fact, neither Meighen nor Forke nor King is the man to attend an essentially economic conference. If the prime minister were to name as Canada's delegation a group of men such as Sir Arthur Currie, Sir Joseph Flavelle, and others of their calibre, great constructive work would be done in building trade along the all-red routes, and no government would hesitate to follow their recommendations.

Canada must choose its own future, politically, economically and socially. The determining factor will likely be the economic one. Those who hold the view that Canada should continue to cast its lot with the Empire, feel that the tie that will bind Canada to its sister nations is the tie of virile Imperial trade relations. Canada is in a fortunate position, insomuch as it can have this without losing its trade back and forth across the American border Those who see Canada's future tending in another direction, either towards entire independence of any other group of nations or as the right flank of the United States, are the ones most active in demanding postponement of the coming Imperial conference and elimination of all future ones.

SURPLUS PEOPLE; SURPLUS LAND

BRITAIN'S surplus millions and Canada's vacant lands seem to be the complementary segments of a perfect circle. Of course, there are problems involved in piecing the two together. William Peter Hamilton, editor of the Wall Street Journal, writes from London, pointing out one of these difficulties. Most of England's surplus millions, he says, are incorrigible idlers, their self respect blunted by long experience of the dole for unemployment. Such people have forgotten how to work and would rather live on the edge of destitution than do honest labor. The self-governing and highly sensitive Dominions, as Mr. Hamilton points out, would not want these people. In brief, the citizens Britain could best spare are not the ones dominions want.

That is one viewpoint. There is a large measure of truth in it. It is one reason why Canada, which could absorb 3,000,000 people in the next five years, will not draw the 3,000,000 surplus population of Britain and complete the perfect circle.

Nevertheless there are many thousands of courageous citizens of good character in the old land who would make good citizens for Canada. These are the people now being brought over by the Dominion Government and the two large railways of the country. But Canada could absorb more. Our immigration activities are not vigorous enough. Too much is being left to private initiative. Canada has monkeyed with public ownership in a lot of places where the state had best have left individuals to do the work. Immigration though is fundamentally a state activity, and should call forth the highest efforts of the government and its officials.

An immigration policy that will bring people, rather than keep them out, is urgently needed.

AGATE LINES AND CLIMATE

ONTARIO'S plan of using paid advertising to bring tourists can only be commended. Ontario has precedent for the campaign. Florida's success in establishing itself as a winter home was due to a combination of climate and advertising. Vancouver is growing because of azure skies and agate lines.

Maine has been successful in building tourist traffic by paid publicity. Testimony of Harrie B. Coe, manager, Maine Publicity Bureau, is to the effect:

"Twenty-five thousand dollars appropriated by the Maine legislature in 1925 for advertising the state resulted in 30 per cent. increase in resort and tourist business over any previous year.

"Each person vacationing in Maine that year averaged to spend $90.53, thus the tourist business brought into the state of Maine last year nearly $100,000,000. One summer hotel alone had receipts of over $500,000, chiefly from out of state people.

"What has all this brought to the state of Maine? In addition to the $100,000,000 left by the tourists, which seeps through all the channels of business life, the records of the register of deeds offices throughout the state show more than 2,000 sales of land and buildings to non-residents during the past year.

"Industrial and recreational projects under way are estimated at $175,000,000.

"That is the story of Maine in a nut shell. It shows merely a start of what has been done to back industrial and agricultural development, for the best way to bring such opportunities before the people is to bring them to Maine to play and our slogan has been 'Bring them to play, persuade them to stay.'"

ACTION NOW NEEDED

ALL the spouting of well-meaning platform performers counts for nothing when demands for national unity are not given some practical attention, in the form of measures that will find the economic solution to sectional discontent in Canada.

Saint John people, for instance, are not much impressed by idle pleas to use Canadian ports when the Canadian government operates a practically free port in a foreign country in direct and immediate competition with Saint John, where port fees are charged.

The Canadian National Railways provides wharf and warehouse accommodation at Portland, free of charge, for all steamers doing business with that railway. Competition evidently makes this necessary. They provide similar free accommodation at Saint John, to the extent of two berths owned by the railway, but the accommodation at these two berths is so limited that very few shippers are able to take advantage of the privilege. They are forced, therefore, to dock at berths, owned by the city of Saint John, or by the Dominion government, and where charges are assessed against all classes of traffic.

Saint John business men feel that the solution is to make Saint John a national port. Negotiations have taken place with the Dominion government, but it has not yet been possible to arrange satisfactory terms.

The determining hindrance seems to be that the matter has been viewed at Ottawa as a routine, departmental affair rather than as a question of policy, a matter of more than local interest.

Sir Andrew Rae-Duncan's commission is hearing many a story of economic disadvantages unfairly forced upon Maritime province people. If the inquiry brings them lucidly before the public it will have served a useful purpose.

EDITORIAL NOTES

"PROGRESSIVES to carry on," says headline. We hope not; there has been too much carrying on at Ottawa.

* * *

IF THE stock market forecasts business trends, does the reviving interest in distillery securities forecast the end of prohibition in Ontario?

* * *

THE "CHUNNEL" or English Channel tunnel, is not entirely dead. The Committee of Imperial Defence stopped the project, but the company behind it reports that it still has £14,000 in its treasury which it intends to husband to keep the company going until the British government changes its mind.

* * *

CHERRY pickers in orchards on the Pacific coast have gone on strike. Such a strike if continued should be an object lesson in the economic consequences of labor troubles—the owners will lose because fruit will be wasted, the pickers will lose because over-ripe fruit will never be picked at all and the public will lose because higher prices will prevail for fruit marketed. As with other strikes the question arises: Who wins?

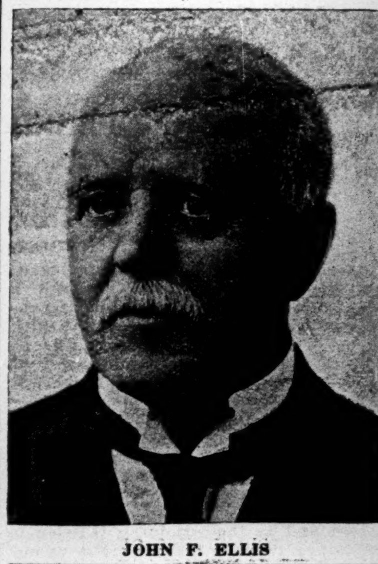
* * *

FIFTEEN union plasterers left Toronto this week for Winnipeg to work at $13 a day, with a guarantee of five months' work, transportation paid to and from Winnipeg. This is not as high a wage as it appears, as apparently these men were out of work during the winter. Incidentally, the leader of the Plasterers' Union says that the Ontario Government could have employed them on the new Parliament buildings annex, which are now being held up because of shortage of labor.

John F. Ellis, Able Pioneer, Closes Busy Half-Century With His Company Leading

Built Up Canada's Largest Envelope Business—Made Rousing Success Out of Bankrupt Concern, Fighting Serious Problems All the Way

By FLOYD S. CHALMERS.



JOHN F. ELLIS

FIFTY years in business! The man with that record has achieved something to mark himself out from the crowd. And when the half century comprises fifty years of steady progress, leading up to the top-most place in an industry, the achievement is one to be hailed with vigorous eulogy.

John F. Ellis founded the business of Barber-Ellis and Company just fifty years ago. To-day, the business is the largest of its kind in Canada, producing nearly a third of all the envelopes that carry the secrets of Canadian hearts and Canadian commerce. This big concern, employing some 250 people and selling stationery from coast to coast, was started on what was in dollars and cents, hardly more than the proverbial shoe string. But the shoe string was backed by something that counted for more than money. The firm of Barber-Ellis came into being because of the character of the man who founded it and the confidence that a small group of men had in him.

When His Boss Crashed

This is the story of the beginnings of the firm. Ellis was employed as book-keeper by a small book-binding firm in Toronto. Out of his weekly wages he had saved an occasional few dollars and always the money had gone back into the business of the employer. In time, Ellis came to have $1,500 in the business and, then, came a crash. The little firm went into liquidation.

In due time the creditors met. There were two offers for the business. One was from the former owner and employer. Another offer was from the young book-keeper. It was the higher offer of the two. When he admitted to the creditors that all the money that he had in the world was what the business owed him, they scoffed at him and began to dicker with the former owner to induce him to raise his bid for the business. Ellis stuck to his guns and refused to compromise. He would not take part in an auction sale, he warned them. There was his offer. They could take it or leave it. The creditors were ready to leave it when the chairman of the meeting, Henry F. Barber, distinguished pioneer paper manufacturer, spoke up.

"Ellis is honest and capable. His offer is the highest. We should accept it. I can assure you gentlemen that you will not regret it," he said. That clinched it. The creditors came to the conclusion that Mr. Barber was backing the ambitious book-keeper. They took the offer.

Formed Barber-Ellis Firm

They were not far wrong in their guess. Another member of the family—James Barber—was backing Ellis. Together, the firm of Barber-Ellis was formed. Later James Barber dropped out and another Barber came in. This was the late John R. Barber. In time, John R. Barber dropped out of the business in an active way, although Mr. Ellis always refused to let him step down entirely. He wanted to perpetuate in the name and directorate of the firm the names of the men who had given him his start in business. And so, although John R. Barber only held one share of stock in the business when he died in 1917, he was president of it until the date of his death.

When John F. Ellis formed the business of Barber and Ellis the firm had about thirty employees. Its chief business was bookbinding, a line which was dropped entirely in time. It had four machines making envelopes, turning out, when they worked at capacity, 75,000 envelopes a day, which had to be gummed by hand. The firm was the only concern in Canada making envelopes. Now there are eighteen firms, but the capacity of this one firm has grown despite the larger competition and some 400,000,000 envelopes a year are made by it.

Radio Incident Was Amusing

The firm has grown, these figures show, to a point of real importance in the commercial life of Canada. It has factories in Toronto, Brantford, Winnipeg and Vancouver as well as offices in other cities. New lines have been added from time to time as the firm has grown under Mr. Ellis's direction. One of these lines has been fancy writing papers and papetries. "French Organdie" is the firm's best known product. French Organdie is a paper, not a textile, as thousands of radio fans learned the other day when the firm broadcast the story of French Organdie. But evidently there were a good many people who tuned in on the middle of the story and heard only enough to convince them that French Organdie was a very fine product but who did not hear just what kind of a product it was. During the following days, the firm was beseiged with letters and phone calls asking where French Organdie could be purchased, and what colors it came in. The inquirers were women who wanted to make themselves French Organdie dresses.

Mr. Ellis's position in the industrial world has been recognized on two occasions by the industrial leaders of Canada. Some twenty-five years ago he was honored with the presidency of the Canadian Manufacturers' Association. He was the first president of that body, following its reorganization as a national institution, and during his term of office launched it on to success and prestige. Three years ago he was made an honorary life member of the association and is the only life member of the C.M.A.

Fire Wiped Out Plant

But it has not all been clear sailing for Mr. Ellis. The company has had its heavy blows, most serious of all being the complete destruction of plant, equipment and records in the disastrous fire that swept Toronto's wholesale district in 1904. Everything was destroyed except the good will of the firm and the indomitable spirit of the founder. His keen memory and a stout bluff enabled him to recover what he had lost when his books were burned. He set down as well as he could remember the names of all his customers and asked them how much they owed him. Everybody wrote back and gave the amount of the account, except two. Only these two attempted to take advantage of his misfortune to say that they owed him nothing. But he bluffed them; told them he was going to sue them for a reckoning and payment and they paid their bills. He started up again and was soon in business in a bigger way than ever.

The attempted defalcation of two creditors only emphasized the essential honesty of the others. Recently Mr. Ellis had another significant illustration of the honesty of human nature. A young lady approached him and said that in going over some old papers of her deceased father she had found an unpaid account, a quarter of a century old. She wanted to pay the bill. Barber, Ellis & Company had lost all record of the account and offered to waive payment. But the young lady insisted. Finally, the firm agreed to take the money without interest, which would have quadrupled the bill. Mr. Ellis did not forget the lady's action. He found out the names of her employers and wrote them, telling them that there was one girl they could trust at any time and in any way.

His Adventure In Insurance

While the firm of Barber, Ellis & Company has been the dominating interest of Mr. Ellis' business career he made one early sortie into another field of business that added to his reputation. Shortly after he founded Barber-Ellis he was asked to become managing director of the young and then struggling Manufacturers' Life Assurance Company. He was a director and when things did not break well for the company he went in to help put it on its feet. Sir John A. Macdonald was then president of the company and Mr. Ellis found it interesting to work with the great political tactician. The company was finally started on the high road to success when Sir John put all the cards on the table of a directors' meeting and made each of the directors subscribe for new stock, to the limit of his means. This recouped the company for the initial capital that had gone into the expensive operations of the

(Continued on Page 11)

Meighen Starts Campaign With 4-Leaf Clover From Sir John's Grave

When Rt. Hon. Arthur Meighen left the platform of the Ottawa arena, after his initial campaign address, and went on board his car bound for the Maritimes, his wife carried an interesting talisman in her hand satchel. It was a four leafed clover, plucked from the grave of Sir John Macdonald.

The clover leaf had been taken by Leon Ladner, M.P., a few days previously when visiting the resting place of the great chief of the Conservative party in Cataraqui cemetery at Kingston. Sir John's is a plain grave marked by a modest slab, with a very simple inscription. The clover which grows luxuriantly above him is now the nearest thing to the illustrious clay which sleeps there, and Mr. Ladner bore a few sprigs of it away with him.

After the great meeting, addressed by Mr. Meighen on Tuesday night, when Hon. Mr. Patenaude had eloquently welcomed the reapproachment brought about in his sundered party in Quebec by Mr. Meighen, and when he had spoken with enthusiasm of the restoration of the old Macdonald-Cartier alignments, Mr. Ladner thought the time opportune to mark in a special way, and presented Mrs. Meighen, who accompanies her husband, with the little token in question. Mr. Meighen expressed his pleasure, and spoke of the inspirational value of the keepsake on a tour which he declares confidently will return him to power as the successor of Sir John in the premiership of Canada.

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Through our trading department we keep in close touch with Toronto, Montreal, New York, London, Eng., and other security markets. We quote promptly on the purchase, sale or exchange of all Government and Municipal Bonds, as well as the leading Public Utility and Corporation Securities.

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The Pacific Coast is developing more rapidly than even we who watch it can realize.

Investments placed in sound businesses, mortgages, business properties, etc., earn high interest and are amply protected.

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has equal opportunity with the investor of large means of obtaining a profitable return on his money by investing in our Accumulative Bonds. They were devised largely because there are so few high-grade securities available to those of moderate means.

The small sum of $78.12 will purchase an Accumulative Bond for $100 payable at the end of five years.

Our Bonds, along with our deposits, are secured by the Corporation's entire Assets, which amount to $48,281,493.32.

It is well worth your while to investigate the merits of these Accumulative Bonds. They are a particularly attractive medium for the investment of small amounts on which you are prepared to allow the interest to accumulate.

Canada Permanent Mortgage Corporation
14-18 Toronto Street Toronto 2
We have been providing safe investments for small sums since 1855.

City of Saskatoon

5% Bonds

Due May 1st, 1936 and May 1st, 1956

Principal and half-yearly interest (1st May and November) payable at the Bank of Montreal in Montreal, Toronto, Winnipeg, Vancouver and Saskatoon.

Denominations: $1,000 and Odd Amounts.

FINANCIAL STATEMENT

Assessed Value for Taxation, 1926	$28,031,966.00
Total Debenture Debt	9,584,654.52
Net Debenture Debt	3,273,690.91
Value of Municipality's Assets, Dec. 31, 1925	16,413,665.35
Population—30,000	Area—8,480 acres.

Saskatoon, Sask., is the commercial centre and distributing point of the vast wheat growing areas of central Saskatchewan. Saskatoon is important from an educational standpoint, being the seat of the Provincial University.

The district about Saskatoon is one of the richest sections of Western Canada, and is famous for the abundance of its grain production. The City has had the benefit of careful businesslike financial administration.

PRICE: RATE TO YIELD 5.10%.

Full descriptive circular on request.

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Business Established 1889

Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

Canada Biscuit Bonds

Woman Investor— Would I be well advised to change government 33's for an investment in Canada Biscuit Company bonds?

The 6½ per cent. bonds of the Canada Biscuit Company rank well in their class as industrial bonds and should prove satisfactory for anyone seeking this type of investment. The point for you to decide is whether in view of your position you can sacrifice something of security to secure a higher rate of interest in this particular case. If you are in a position to change from government bonds to industrial bonds the Canada Biscuit issue should be satisfactory. On the basis of earnings and prospects and from the standpoint of management the company stands well.

Goodyear Cotton

Kingston.—I would be glad of your opinion of the soundness of the Goodyear Cotton Co. seven per cent. cumulative preferred. I have been advised to exchange some municipal bonds for this stock owing to its high yield and security. The guarantee of the Tire Co. to purchase sufficient product from the Cotton Co. is represented as an operating charge and comes prior to the bonds and preferred stock of the Tire Co.

The preferred shares of the Goodyear Cotton Co. of Canada, Ltd., may be regarded, we believe, as a sound industrial investment of the more conservative character. If it is desirable that you should exchange your municipal bonds for something which will return you a somewhat higher rate of interest, we believe that among the industrial preferred stocks you will find this issue of Goodyear Cotton to rank high. It woud seem, as you point out, that the arrangement with the Goodyear Tire Co. constitutes a practical guarantee of sufficient profits to pay the preferred dividends. Of course, there will always be a certain element of risk in industrial securities, but this risk seems to have been reduced to the minimum in the Goodyear Cotton issue.

Toronto Railway Stubs

Subscriber, Brantford. — If possible will you please let me know when the final payment is likely to be made on Toronto Railway stubs.

Certain matters in litigation and in connection with the settlement of which there have been delays, have a bearing on the final value of the Toronto Railway stubs. At the moment it is not possible to forecast the outcome of this litigation. In the meantime the stubs are traded on the Toronto Curb and the price fluctuations indicate the interpretation of holders and speculators in regard to the final settlement. At the first of the present year the stubs were traded at $1.25, the price rose to $1.50 in May and to $1.60 in June, since which there has been a rather sharp decline and some sales were made during July at $1.55.

Twin City

Parry Sound.—Would like your opinion of Twin City common shares.

As to Twin City common, our opinion is that this should be good for a hold. Prospects are toward a higher dividend rate in the future, although it is, of course, not known when the increase will actually be made. The company is on a much more satisfactory earning basis and the outlook has been fairly well cleared up in this respect. Of course, all traction companies are suffering from loss of business as the result of automobile traffic and this is not to be overlooked in relation to net profits. The directors are: H. Lowry, president; C. Hayden, W. O. Washburn, H. Doerr, J. R. Mitchell, F. Bergen, E. W. Decker, G. H. Partridge, R. Budd, E. Pennington, D. Goodrich, A. E. Ames.

Wm. A. Rogers Co.

Reader, Toronto. — Will you please favor me with your opinion as to the Wm. A. Rogers Co. common and preferred shares, as an investment? I understand the common shares sold at one time as high as 238 per share, paying 12 per cent. dividend and that the company as well gave their shareholders stock bonuses of 50 per cent.

You are quite correct in your reference to the pre-war market record of the Rogers Co. The common shares sold well above 200 on prospects of stock bonuses. With this company, as with so many others, the war had very disturbing consequences. At the present time the company is in a healthy condition, is very well managed and has a good future, but references to the past may result in over-optimism as to the prospects for profits from the standpoint of shareholders.

As previously stated, the company's business was badly upset by the war. It affected materials and labor and the consuming market. Profits fell off seriously. In one of the war years it was necessary to pass the preferred dividend and so far only half of the deferred 7 per cent. has been paid up. Conditions are now much more competitive than in the company's earlier years, but the volume of business now being transacted shows considerable improvement over a year ago and the prospects for the shareholders are bright. The current year should not show a sufficient margin of profit to pay up the accumulation on the preferred dividend, but show a substantial margin in favor of the common shareholders. At the moment, Rogers preferred looks like a good investment and the common a splendid speculation. The directors are: S. J. Moore, president; W. D. Ross, vice-president; A. E. Ames, H. S. Duell, R. E. Sage, C. W. Colby, E. G. Baker.

National Grocers

St. Catharines.—I have 50 shares second preference and 50 shares common stock of National Grocers, total cost $5,000. Have been offered $3,000 and have been advised to accept this offer. What do you advise?

It is practically impossible to get a definite market on the second preference shares of National Grocers, Ltd. As you probably know this stock was distributed as part of the purchase price to those entering the merger. There has never been a definite market for it. Opinions in which confidence may be placed agree that if you are desirous of turning your shares into cash the offer is a fair one. No dividends are being paid and while the future for the company looks bright it may be some time before it is considered advisable, even if possible, to pay dividends on this issue. The common shares would have only a nominal value. Therefore unless you are in a position to wait a considerable time, you would probably be well advised to take your banker's advice.

Dunlop Tire

Hagersville.—Would like your opinion on Dunlop Tire & Rubber goods, seven per cent. preferred, as an investment. I have 25 shares for which I paid over 90 per share.

The position of the tire industry has been improving with increased buying power throughout the country and more stable conditions as regards raw materials. However, competition has been, and is still very keen. The Dunlop Company we understand is in a satisfactory position. It is planned to pay off the bond issue due in March, 1927, and the small preferred issue will then be a first claim. The present market is around 75 or a little better and we think this should improve after the bond issue has been paid off. The directors are E. B. Ryckman, K.C., president; J. Westren, vice-president; W. B. Northam, A. L. Ormrod, Wm. McMaster, A. B. Purvis, W. Coyne, D. E. Beynon, A. E. King.

Iona Gypsum Co.

M. D. J., Amherst.—Can you give me any information on the Iona Gypsum Products, of Iona, Cape Breton, N. S.? Is there any market for either its bonds or shares, and is it possible to find a market for these securities? I hold both the stock and the bonds.

The present company is the successor of the Iona Gypsum Co., which ceased operation in March 22, 1922, and was bought in a public auction by the present company on April 25, 1922.

The present company, we understand, is in only fairly good financial position and although shut down during January and February of the present year is now in successful operation. The company is capitalized at $250,000 fully paid up shares divided into $100,000 preferred and $150,000 common. There is also outstanding $50,000 in first mortgage bonds and $50,000 in 7 per cent. general mortgage debentures.

The head office is in Sydney where the majority of the officers live. We understand that the bond interest has not been met for some considerable time and that there is no market for the security. There is certainly no market in Montreal nor Toronto but perhaps you might possibly find someone who would be willing to make you a bid in the Maritimes.

The following are the officers and directors: H. C. Ballem, president; A. A. McIntyre, vice-president; R. B. McNeil, secretary-treasurer; directors: F. A. D. Young, H. M. Israel, I. W. Buckley, J. D. McCormick, P. D. Parks.

English Electric

Springhill.—Would like your opinion of English Electric as a safe investment.

We would not call English Electric a "safe" investment. There are few investments indeed which come within this class. No industrial enterprise depending on business conditions and therefore subject to fluctuating profits could be regarded as otherwise than speculative.

English Electric, according to recent information, has a considerably larger volume of orders booked ahead than at this time last year and should be able to show increased profits, because the chief difficulty in the past has been an insufficient volume of business to get satisfactory operating results. The directors are: G. F. Perry, chairman; R. A. Stinson, president; Hon. F. H. Phippen, R. Horne Smith, D. H. MacDougall, J. H. Watson, Col. N. D. Perry, Lord Meston, Lt. Col. Sir J. H. Mansell, P. J. Pybus.

JOHN F. ELLIS, ABLE PIONEER, CLOSES BUSY HALF-CENTURY

(Continued from page 10)

first few years. The wealthiest man at the board had to put up the most money and that is how the heirs of George Gooderham came into control of the company, which is to-day strong and far reaching.

After a few years, when premium income had been brought to a high level and losses had been reduced by careful selection of risks, Mr. Ellis resigned and went back to his own business, heart and soul.

Mr. Ellis will be eighty-one this fall. To tell the truth he does not look at all like an octogenarian. The other day he was talking with a business friend and the name of a third party came up.

"How old is he?" asked Mr. Ellis.

"Oh, about your age and mine," was the reply. The man who replied was 65.

Mr. Ellis has seen Toronto and Canada change. Sixty years ago he taught school in the village of Eglinton, opposite Montgomery's Tavern, site of the anti-climatic finish of the rebellion of 1837. His school house is still standing, but Toronto extends three miles further north.

Almost a Man of Medicine

Mr. Ellis nearly became a doctor. He came down from Brant county to teach school and study medicine simultaneously. He taught all day and studied most of the night, but eventually he had to choose between the two, as he could not carry on. He kept on with the teaching. However, he had some fun out of studying medicine. He had a skeleton in his cupboard and the rumor got around town that the school teacher at Eglinton had a corpse in his room, that he dissected in his spare time. Before he quieted the rumor, he was the object of much curiosity.

From school teaching he went into the wholesale business, becoming a salesman. The firm's bookkeeper was a man of irregular habits who was often too drunk to carry on his duties. The annoyed partners of the firm decided to dismiss him for good. Overhearing the conversation Ellis asked to be allowed to try his hand at bookkeeping and was given the job. While doing this work he was asked to go to a firm of bookbinders as bookkeeper and it was when this firm failed that he got his opportunity and went into business for himself.

The Phoenix that rose from the ashes became a very progressive firm. But, if we may change the metaphor, it is the lengthened shadow of a very big business man.

POST-Scripts

EVEN a more serious discouragement to the raising of a family in a city than the attitude of some apartment house owners towards tenants with children is the discovery at Winnipeg that fond mothers wheeling their offspring along the city streets are thereby breaking one of the municipal by-laws. The matter came to light when an alderman started to check up the city by-laws to find out if the police were acting properly in putting small boys off the sidewalk with their little wagons. The alderman unearthed by-law No. 1604, clause 18, which announces: "No person shall run, draw or push any carriage, wagon, wheelbarrow, cart, handcarts, truck or handwagon, sled, sleigh or other vehicle used for conveyance of persons, articles or things upon any of the sidewalks of the city."

The city council decided that this particular piece of legislation was altogether too sweeping and appointed a committee to have it revised.

TRUST companies are frequently called upon to perform unusual duties. A few years ago a Canadian company was called upon to take charge of a circus "somewhere in the Central States." What the trust officer did not know about running a circus would fill a large volume, but experience has shown that sound business methods go a long way under such circumstances.

The head of a Pittsburg trust company recently remarked to a friend: "I've just been away to get one of my boys out of a scare at college."

"I didn't know you had a son old enough to go to college," was the rejoinder.

"I didn't say a son. He happens to be a client. I am managing trust funds for twenty boys and girls in school or college. We don't treat them as mere accounts here. I write each of them a letter a week. I often help them in buying clothes, planning their educations, vacations and future lives. When they get into trouble I get them out of it. On many of the accounts we have absolute authority to spend principal as well as interest if we think it advisable. Our officers are the only advisers some of those kids have."

And there are many other stories which might be told to illustrate the versatility of the executive officers of the modern trust company.

A WESTERN Canada man is suing his wife for damages that he suffered when driving in his wife's car. She spilled him into a ditch and put a few of his bones on the rocks. Not knowing any more than that about the circumstances, one would be ready to believe that the action arises because the wife carried personal liability insurance in connection with the car. The case would then raise the very nice point as to whether the husband cannot make the insurance company pay damages just as though he were not married to the lady who was driving the car.

Another automobile insurance yarn hails from Hamilton where a new scheme came up recently for getting out of paying automobile insurance. It was brought to the attention of Hamilton Automobile Club officials that three motorists put through a transaction that practically relieved them of responsibility in case of accident. They went to a lawyer and signed liens, each one giving the other a document against his car. It was explained to the lawyer that by this clever idea, they would not be forced to pay damages in case they became involved in a mishap that might prove costly. If there was a smash-up judgment might be given against them, but could not be collected. It could be claimed that someone else had a lien on the car, and under law, the fact that there is a lien against a car or article puts it out of court at once.

W. R. MORRIS, whose small, well-built automobiles are not unknown in Canada, is well on his way to become the Henry Ford of England. He has adopted the American idea of mass production and, combined with British standards of engineering excellence, he is making considerable success in the direction of a British car at an American price. He has followed Ford's idea of paying good wages and, while the level is not as high as that in the United States, it is significant that only six of his 9,000 employees answered the call of the unions in the recent British strike. Until the present Morris has operated privately, but now a company has been formed to take over Morris motors and its subsidiaries. The business has been built up out of accumulated profits and to day total assets are put at $3,358,956 and good-will and pending contracts valued at £1,641,000. In 1919 there were 337 Morris cars produced and in 1925 49,750. Morris is now concentrating on the export side of the business and more of these small, sturdy cars may be expected to make their appearance on Canadian streets and highways.

August Dividend Payments

Dividends	$4,282,513
Bond Interest	10,373,350
	$14,655,863

Dividend Payments

Company	Rate	Date	Amount
Amer. Salesbook, pref.	1¾q	2	$53,782
Arnold Bros., 1st pref.	1¾q	1	8,750
Do., 2nd, pref.	2q	1	4,700
Belding Corticelli, com.	3s	2	22,485
Canadian Oil, com.	1½	15	24,000
Canada Cement, pref.	1¾q	15	183,750
Can. Converters	1¾q	15	30,335
Cedar Rapids	¾q	16	66,750
Chase, A.W., pref.	2q	10	16,000
Christie Brown, com.	30cq	1	23,567
Do., pref.	1¾q	1	15,424
Dom. Bridge	1q	15	65,000
Gosse Packing, pref.	1¾q	1	26,250
Hollinger Mines	2m	12	432,000
Humberstone Shoe, com.	50cq	1	5,000
Do. pref.	2q	1	6,000
Imperial Bank	3q	2	210,000
Int. Nickel, pref.	1½q	1	133,689
Inter. Paper, com.	50c	16	125,000
Kelvinator Co. pref.	1¾q	15	14,000
Loew's Buffalo, pref.	2q	1	26,720
Manufac. Finance, pref.	4s	15	46,112
Massey Harris, pref.	1¾q	16	2,114
Mont. L. H. & Pr. cons.	2q	16	1,293,678
Motn. Power	2q	16	376,000
Mont. W. & Pr. com.	62½cq	14	22,400
Do., pref.	1¾q	14	8,750
Mort. Corp. of N. S.	1½q	1	9,312
Nat. Brick, pref.	1¾q	16	58,443
Ont. Steel, com.	1+1q	16	15,000
Do., pref.	1¾q	16	13,125
Penmans, com.	2q	16	43,012
Do. pref.	1½q	2	16,125
Pure Food, 1st pref.	1¾q	1	3,062
Russell Motor, com.	3y	2	24,000
Do., pref.	1¾q	2	21,000
Standard Bank	3q	2	144,702
St. Law. Flour, pref.	1¾q	2	10,062
Steel of Can., com.	1¾q	2	201,250
Do. pref.	1¾q	2	113,684
Teck Hughes	5c	1	226,005
Western Trust	2s	.	20,100
Winnipeg Elec. com.	1q	16	110,000
Wood, Alex. & James, 1st pfd.	1¾q	1	11,375
			$4,282,513

q—Quarterly.
s—Half-yearly.
m—Monthly.
y—Yearly.

Bond Interest Due in August

Company	Rate	Due	Amount
Abitibi Pulp	6	1934	$70,620
B. C. Elec. Rly. (Deb. stock)	5	1944	93,362
Atlantic Underwear	6½	1944	3,250
Canada Bread	6	1941	31,932
Canada Foundries	6	1942	6,717
Can. National Rlys.	5	1954	1,250,000
Can. Steamships	5	1943	121,342
Canada Paper	6	1938	4,500
Famous Players	6½	1943	31,200
Harris Abattoir	6½	1928	14,814
Holt Renfrew	6½	1937	18,443
Lyall Construction	6	1932	18,507
Mexican L. & Pr.	5	1940	283,512
Int. Tissue Mills	6	1935	9,120
Maple Leaf Milling	6½	1943	63,375
Monterey Railway	5	1962	74,912
National Grocers	6½	1932	65,000
Ottawa & Hull Pr.	6	1948	75,000
Price Bros.	6	1943	450,000
Rogers, Wm. A.	6	Serial	9,150
Suburban Rapid Transit	5	1938	12,500
St. Maur. Power	6½	1953	293,364
Wamsley, Chas.	6	1943	30,000
Wayagamack	6	1951	130,230
Corporation Bonds			$3,160,850
Dom. Refund Loan	4½	1964	1,012,500
Municipal			x3,400,000
Provincial			x2,800,000
			$10,373,350

x—This figure is determined by dividing by 12 the estimated total interest payable during the year on these issues.

Another English Investor

"I am and for some years past have been a subscriber to The Financial Post and never miss reading my weekly copy. I regard it as a valuable newspaper."

A Folkestone (Eng.) Investor.

Gatineau Power Co.

1st Mortgage 5's, due June 1, 1956, to yield approx. 5.40%

6% Debentures, due June 15, 1941, to yield over 6%

Greenshields & Co

17 St. John St., Montreal
also Mount Royal Hotel Building
TORONTO 14 King Street E.
OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street

8

ELECTRICAL REFRIGERATION

and its investment possibilities

We have prepared for distribution a very complete analysis of the Canadian market possibilities and the outlook for this gigantic new industry, which is still in its infancy.

Electric refrigeration will make fortunes for those who keep pace with development and we suggest that you send for a copy of this survey at once.

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INVESTMENT BANKERS
330 BAY STREET, TORONTO

We Invite Enquiries

If you hold securities and wish to ascertain their market value—or to obtain up-to-date information regarding the issuing companies —write us.

We maintain Correspondence and Statistical Departments whose facilities are freely at your disposal in obtaining desired information of this kind.

Royal Securities CORPORATION LIMITED
244 St. James Street
MONTREAL

Odd Amount Bonds At Attractive Prices

We have prepared a special List describing a selection of bonds in uneven denominations, as well as a number of small unsold balances.

These bonds permit investors to obtain favorable interest returns upon small and moderate amounts.

Copy gladly furnished upon request.

36 King Street West, Toronto. Telephone: Elgin 4321

Wood, Gundy & Company Limited

1926 MITCHELL METALCRAFT 75th YEAR JUBILEE YEAR

Our Suggestion

We will be pleased to submit designs and specifications for any metal fittings and fixtures for banks, offices, hotels or public buildings.

THE ROBERT MITCHELL CO., LTD.
MONTREAL

INVEST YOUR SAVINGS

in a 5½% DEBENTURE of The Great West Permanent Loan Company

5½% Interest Return

SECURITY

Paid-up Capital	$2,414,663.00
Reserves	1,100,000.00
Assets	6,184,420.00

HEAD OFFICE, WINNIPEG
Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

THE NATIONAL CITY COMPANY LIMITED CANADA

What the Market Offers

If you would like to have before you a diversified list of high-grade bonds available at this time, let us send you the current issue of our monthly booklet "Investment Securities."

Due to our world-wide connections we are able to offer an extensive list for your consideration.

Following are a few of our recommendations:—

Dominion of Canada
Guaranteed
(Issued by C.N.R.)
5% Bonds due February 1, 1954
Price to yield about 4.86%

Government of the Argentine Nation
6% External Bonds
Due May 1, 1960
Price to yield about 6.02%

Imperial Japanese Government
4% Sterling Loan
Due Jan. 1, 1931
Price to yield about 6.00%

Canadian Pacific Rly.
4½% Note Certificates
Due December 15, 1944
Price to yield about 5.02%

Duke-Price Power Company
6% Bonds due May 1, 1966
Price to yield about 5.83%

Paton Manufacturing Company
6% Bonds due May 1, 1953
Price to yield about 5.85%

New York Steam Corporation
5% Bonds due May 1, 1951
Price to yield about 5.90%

The above bonds are offered subject to prior sale and change in price. Orders may be telegraphed or telephoned at our expense. Upon request we shall be glad to send a copy of the booklet mentioned above.

Write our nearest office.

The National City Company
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MONTREAL
St. James and St. Peter Streets

TORONTO, 10 King Street East
OTTAWA, 204 Blackburn Building
QUEBEC, 71 St. Peter Street

AMERICAN AND BRITISH TARIFFS CUT OFF CANADA'S MARKET

(Continued from Page 1)

cial market conditions. There is a slight increase in the value of the exports of wool, but the quantity has fallen off by over twenty-five per cent.

The statement is often heard in Canadian political discussions that a tariff can be of no benefit to the farmer. The table given above makes it quite clear that the American tariff has protected the market of the farmer against his Canadian competitor—much to the disadvantage of the Canadian agriculturist.

More Protection Asked for British Textiles

Fresh and more persistent demands for protection are being made in England by the woollen industry because of the killing competition in their home markets from continental countries with lower wages and depreciated currencies.

Nearly every issue of the Yorkshire Post, of Leeds, England, carries articles urging protection for the woollen industry. On July 6, 1926, it said: "There has been such a lack of new business that the position to-day is worse than it was twelve months ago. This is not denied even by the free traders. Circumstances have forced free traders to realize that the introduction of depreciated rates of exchange is a factor which had not been taken into account in their fiscal faith."

F. A. Aykroyd, of Bradford, on July 8, said: "At heart I am a free trader, but until the costs of production in France, Italy, and other countries assume an economic level, we have no alternative but an arrangement on the lines of a co-efficient duty. If something is not done soon, ruin will face not only the workers in the West Riding, but the masters as well."

The Textile Argus, published in England, on May 20, said: "So far as fully-manufactured (woollen) goods are concerned, imports were up and exports down, while exports of semi-manufactured were very much sub-normal."

Assets of Porcupine Keora Mining Company, Ltd., have been sold to the Keora Mines, Ltd., and shareholders in the former concern are being asked by the management to transfer their holdings as speedily as possible.

News of the Investment Market

NEW ANTICOSTI CORPORATION WILL ISSUE SECURITIES

Port Alfred, St. Maurice and Wayagamack to Form a Subsidiary

Virtual completion of the deal for the purchase of Anticosti Island by three Quebec paper companies makes practically assured the offering of $6,000,000 of bonds early next week.

The company that will control the island will be known as the Anticosti Corporation and its common shares will be held by the St. Maurice Valley Corporation, the Port Alfred Pulp and Paper Corporation and the Wayagamack Pulp and Paper Corporation. These companies will purchase pulpwood from the island and will obtain a large part of their raw material supply in that way.

Offering next week will be made by Wood, Gundy & Co. and will consist of $6,000,000 of 6½ per cent., fifteen-year, first mortgage bonds. As the bonds will be payable in Canada, Great Britain and United States, some bonds are likely to be offered outside Canada, although this country will get the major portion of the issue.

Following the bonds will be $3,000,000 of preferred stock, which may not be publicly offered.

Timber on the island is estimated at 15,000,000 cords. Bonds thus represent only 40 cents a cord. As no stumpage dues are payable, the land being freehold, the value of the timber can be considered as at least the present minimum stumpage due of $1.40 on Quebec leasehold lands.

The natural growth on the island is sufficient to supply over half of the timber requirements of the three companies, even after completion of extensions now under way, which will bring pulpwood requirements to about 735,000 cords. Sole activity of the Anticosti Corporation will be to supply wood to its three parent companies and it is not the intention to sell wood to other companies. This will serve to protect the future of the present limits of the companies in the St. Maurice valley and elsewhere.

Directors of the new corporation will be drawn from the boards of the three parent companies. Available also will be the services of the expert forest engineers of these companies.

The financing will be one of the biggest on the Canadian market this year.

From Our Own Correspondent.

MONTREAL. — Following the exclusive information on the purchase of the island of Anticosti published in last week's issue of The Financial Post, it is now learned that the two other companies which will participate with the Wayagamack Pulp and Paper Company in the purchase of the island, are the St. Maurice Valley Corporation and the Fort Alfred Pulp and Paper Corporation.

It is understood that the property will be bought by a subsidiary of these three paper producers; the new company will be called the Anticosti Corporation and the stock will be owned by the three newsprint producers. In order to finance the deal, a bond issue of $6,000,000 will be made. Probably the three newsprint mills will enter into a contract with the subsidiary to take a stipulated number of cords of pulpwood each year on a stumpage basis. This contract would cover the life of the bonds, thus lending more attractiveness to the issue. Bond interest on $6,000,000 at 6½ per cent. would amount to $390,000 annually. So that all that would be required to meet the bond interest would be say $2 on 200,000 cords per annum.

A Constructive Development

The three companies could easily consume annually this amount of wood—in fact 400,000 cords of wood a year from the island could quite easily be absorbed by the three. The St. Maurice Valley Corporation is increasing its output from 650 to 850 tons daily, and by the end of the year Port Alfred will have an output of 400 tons and Wayagamack from its newsprint mill alone is turning out 200 tons.

General opinion is that the transaction, which is one of the largest deals in timber limits ever made in this country, is of a decidedly constructive nature; with the rapid development of the pulp and paper industry in the St. Maurice Valley area, there is little doubt that the reserves of timber in that district are gradually being depleted.

Transportation Solved

The problem of transportation of the pulpwood to the mills has been solved by other companies which transport their raw materials by boat. These include the Ontario Paper Company, the Howard Smith Paper Mills and several others. Thus no difficulties should be anticipated in the matter of transportation.

In addition to the new bond issue, there will be an issue of preferred stock. Present plans, however, are that this preferred stock will not be offered publicly, but will be sold elsewhere—possibly it may go into the hands of a few individuals, or perhaps some will be taken up by the three newsprint producers.

In the meantime rapid progress is being made in the negotiations leading to the conclusion of the deal with Senator Menier, the present owner of the island.

JOHNSTON ASBESTOS DIRECTORS

MONTREAL. — At a meeting of the shareholders of Johnston Asbestos Co., the following directors were elected: President, John W. Mooney, replacing the late A. S. Johnston; vice-president, Harold Kennedy; managing director, Andrew Johnston; directors, Dr. John Johnston and Samuel Forbes.

Expect Receiver

From Our Own Correspondent

SYDNEY. — Nova Scotia Steel and Iron Corporation has three months in which to meet the bond interest defaulted July 1, and after that Pictou County expects to see a receiver in charge of Scotia on the same basis as Dominion Iron.

WOMAN INDUCED TO TRADE BONDS FOR FAKE SECURITIES

Slick Salesmen Have Been Very Busy in Western Ontario

LONDON. — Despite the warning sounded by Alfred Cuddy, deputy commissioner of the Ontario provincial police, at the convention of chief constables of Canada here several weeks ago, that high-pressure stock salesmen were "working" Ontario and fleecing investors by misrepresentation and other means, residents of Middlesex and Bruce county have lost large sums of money in the interval. In one instance a woman was induced to trade $5,000 worth of Victory bonds for a block of questionable securities, and in another the salesman obtained a check for $1,250 from a man who, by subsequent quick action, saved himself from loss. Investigations are now being conducted by the authorities into the operations of the salesmen and arrests may follow.

The details of the two cases just brought to light are as follows:

About 10 days ago a stranger, unaccompanied by any responsible local representative, called upon a woman in a town about 30 miles from London. He introduced himself as the president of a well-known and reliable stock brokerage company in Toronto. He emphasized to his listener that he had nothing whatever to sell. The bonds he had come to sell had been disposed of and he was merely calling upon a few people who might later have funds to invest.

During the interview this salesman learned that the woman had $5,000 invested in Victory bonds and he requested to see them. She was sorry to disappoint him, as they were lodged in a safe deposit box at the bank. Armed with this information the interview soon terminated, but not without a diary entry being made by the salesman.

Three days later this woman's telephone rang. It was long distance. Mr. So-and-So, of Toronto, wished to speak with her. Of course, she would remember him. He had just learned that the ——— Register Company, of Hamilton, was offering its shareholders several thousand dollars' worth of their stock at a price of $25 a share. He was anxious to obtain some of these shares and would be willing to pay $41 each if she happened to have any. Of course, she could not oblige him and of this the salesman was well aware. A few days later two salesmen called. They were sure she would be interested in purchasing some stock of the Register Company. They could offer her a special price of $25 a share—a chance of a lifetime. Within an hour they departed with $5,000 in Victory bonds which the owner quite optimistically obtained for them from her deposit box.

Probe Transaction

On Friday last the new owner of this doubtful stock called at a local financial institution, which in turn referred her to the county crown attorney for Huron County. The matter is now being investigated, as it is obviously a flagrant misrepresentation. Whether the investor succeeds in recovering her Victory bonds is a question.

Another instance of downright fleecing was recently practiced upon a farmer in Bruce County. Two salesmen, and they usually go in pairs, called at his home and sold him, in spite of his better judgment, 100 shares of stock in a finance company in a large eastern city. These shares had a par value of $10 each, a total of $1,000. The price he was asked to pay, and he agreed to pay it, was $1,250. The salesman departed with his check and application for that amount.

Next morning, fortunately, before the bank opened for business, the farmer realized it might pay to investigate the transaction. He immediately telephoned his bank to stop payment of the check. Then he consulted his lawyer, who, upon inquiry into the company's standing, found that the 100 shares could have been purchased through any reliable broker for approximately $750. Here was a case of out-and-out deception and no difficulty was experienced in cancelling the application. Had this farmer failed to take prompt action he would have lost $500.

Toronto's Ten-year Trial of Serial Bonds Proves Plan

"Municipal finance has undergone certain definite changes in the last few years," says George H. Ross, Toronto's Commissioner of Finance, in his annual report. "Serial rather than sinking fund bonds are now recognized as the ideal means of financing capital undertakings. Toronto must receive due credit as a pioneer in this form of finance. In spite of much adverse criticism, Toronto, confident of the plan's success, adopted serial financing and since 1916 no sinking fund bonds have been marketed. The subsequent popularity and almost universal acceptance of serial debentures has amply proved the wisdom of this decision. The bonds are issued in $1,000 denominations and a definite, predetermined number mature and are retired each year throughout the life of the loan. The advantages to a municipality of issuing serial bonds are numerous. The risks incidental to sinking fund management are obviated. Furthermore, in a city like Toronto, where there has been a large investment in public utilities, serial bonds form an ideal means of caring for depreciation. The term of the loan can be made to conform closely to the life of the asset and, as the asset decreases in value through use or obsolescence, the debt is correspondingly reduced. Another distinct advantage is the diversity of maturities available to the individual investor. Finally, decided economies are made possible by serial bond financing."

CANADA BISCUIT BUYS PERRIN CO.; MORE FINANCING

Constructive Deal Concluded—Bonds to the Extent of $600,000 to be Sold

From Our Own Correspondent.

MONTREAL. — The firm of D. S. Perrin and Company, large biscuit manufacturers in London, Ontario, has been purchased, lock, stock and barrel, by the Canada Biscuit Company. The deal was consummated this week by the Montreal Securities Corporation which was also behind the original negotiations leading to the formation of the Canada Biscuit Company this year.

The new consolidation means that there will only be two biscuit companies in Canada which do a nation-wide business. Thus the latest addition to the Canada Biscuit Company's string of plants should do much to reduce overhead costs.

The new company, which has been acquired, has been established for many years, and sells its output from coast to coast; the property consists of one large manufacturing plant in London, employing over 500 hands, and warehouses located in all the principal centres of the Dominion. The purchase price has not been announced, and the new financing, which will be undertaken to finance the deal, will be considerably less than the amount involved in the sale.

It is understood that D. S. Perrin and Company was in a remarkably strong liquid position, which naturally tends to reduce the amount of funds necessary to complete the transaction. It is thought that about the beginning of September the Canada Biscuit Company will sell some $600,000 more of its first mortgage bonds. This financing would be undertaken by the investment houses of Greenshields and Company, and the Dominion Securities Corporation.

The New Capitalization

Such financing would increase the mortgage debt to $2,200,000. This figure compares with preferred stock to the extent of $3,519,000 and 87,280 common shares of no par value which are outstanding.

Naturally when negotiations were first inaugurated, leading to the merger which resulted in the formation of the Canada Biscuit Company this year, D. S. Perrin and Company was approached; but the company was in the hands of an estate, and could take no part in merger negotiations, but was willing to come into the new consolidation on a purchase basis. Therefore, the Canada Biscuit Company was brought into being, and the Perrin business has now been purchased outright.

Some conception of the size of the operations of the Canada Biscuit Company may be obtained when it is remembered that with this recent acquisition it will employ upwards of 2,500. The consolidation means many savings; for instance, in the past both companies, in addition to being in the biscuit business, produced many lines of hard candies. This output may now be consolidated under the one roof. This, of course, is but one example of aims behind the merger.

Total Assets in excess of $650,000
DOMINION FINANCIAL CORPORATION
LIMITED
232 St. James Street
Montreal
Mortgages Purchased

ROBERTS, CAMERON & CO.
LIMITED,
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Listed Stocks.
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Northern Ontario Bldg., TORONTO.

We offer
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Asbestos Corporation
Limited
6% General Mortgage 30-Year Sinking Fund Bonds

ASBESTOS CORPORATION LIMITED includes the following Companies:—

ASBESTOS CORP. OF CAN. LTD.
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ASBESTOS MINES, LIMITED.
BLACK L. ASB. & CHROME, LTD.

The present offering is a portion of an issue of $4,784,135 General Mortgage Bonds, guaranteed by a mortgage on all the assets of the Company, valued at over $20,000,000, and subject only to a prior issue of $3,000,000 of First Mortgage Bonds.

Price to yield 7%
Full particulars on request.

ESTABLISHED 1910
CREDIT-CANADA
Limitée
Investment Bankers
120 St. James St., Montreal
MAIN 4191★

DEBENTURES FOLLOW GATINEAU CO. BONDS

$12,500,000 6 Per Cent. Sinking Fund Debentures Sold at 99½

From Our Own Correspondent.

MONTREAL. — Following the recent heavy over subscription of the issue of first mortgage bonds of the Gatineau Power, Company, a syndicate, headed by Harris Forbes & Company, has placed an issue of debentures of the company on the market with equal success.

These debentures of the Gatineau Power Company, while not a mortgage on the property, are secured by an indenture which provides that no more bonds or debentures may be sold until the initial development programme of 397,500 horsepower has been completed; it contains also many restrictive clauses and provides for semi-annual sinking fund payments.

The company owns outright, or holds through long term leases, water power sites in the province of Quebec with an aggregate potential capacity of over 700,000 horsepower. When fully completed, by 1928, there will be three power plants on the Gatineau river and one at Kipewa on the Ottawa; the latter plant's capacity is being increased and it will shortly produce 42,000 horsepower.

Rapid progress has been made with two of the developments on the Gatineau river and these will be completed in 1927. Work on the remaining development will commence this autumn and will be completed in 1928. It is on the Gatineau also.

The particulars of the debenture issue follow:

$12,500,000
GATINEAU POWER COMPANY
June 15, 1926, and maturing June 15, 1941.

Property—There will be erected four power plants with an installed capacity of 397,500 h.p. The completion of the development program has been guaranteed by the International Paper Company.

Earnings—Upon completion of projects in 1928, it is estimated that earnings available for bond and debenture interest will be equal to twice the requirements. At that time, the net earnings from the contract with the Ontario Hydro Electric Commission will provide annual net earnings for reserves and all interest charges equal to 1¼ times the interest on bonds and debentures.

Security—The company can issue no further bonds or debentures against the total initial development of 397,500 h.p.

Sinking Fund—Indenture provides for a cumulative semi-annual sinking fund commencing 1928 which will provide for the redemption of 40 per cent. of the issue by maturity.

Capitalization—Stock—

	Outstanding
Common (no par value)	*500,000 shs.
Preferred, 6% Cum.	*$25,000,000
Funded Debt—	
6% Sink. Fund Gold Deb.	$12,500,000
First Mort. Gold Bonds, 5% Series due 1956	$37,500,000

*All owned by International Paper Company except directors' qualifying shares.

Offered—July, 1926, by a syndicate headed by Harris, Forbes and Company at 99½, yielding 6.05 per cent.

GRAND TRUNK DEBENTURES

LONDON.—Steady buying of Grand Trunk Pacific Railway debentures has been a feature of the London stock market for several days, the buying seemingly being on orders from Canada.

The sudden renewal of activity in Grand Trunk Pacific debentures here is doubtless due to the published figures as to the Grand Trunk earnings in May.

MURRAY & COMPANY
Specializing in
Government Municipal and Corporation Bonds
METROPOLITAN BLDG.
ADELAIDE 6077-78 TORONTO

BONDS FOR INVESTMENT
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LIMITED
Investment Bankers
ROYAL BANK BLDG. TORONTO

BEFORE INVESTING---
INVESTIGATE
THE NATIONAL DEBENTURE CORPORATION, LIMITED
INVESTMENT TRUST 5½% BONDS
An Absolutely Safe and Profitable Investment secured by 105 per cent. Trustee Securities under the Laws of the Province of Ontario.
Consult Your Local Dealer and Write to us for Particulars.
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DOMINION POWER
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MAISON RENE-T. LECLERC INC. 1901
Public Services
Public Service Companies are public necessities and grow as the country grows. That issues of such companies therefore possess a high degree of security has been amply demonstrated in the cases of the following:

Montreal Tramways	5%	1941
Montreal Tramways	5%	1955
Bell Telephone	5%	1955
Quebec Power	6%	1953
Quebec Ry.	5%	1939
St. Maurice Power	6½%	1953
Montreal Pub. Ser.	5%	1942
Laurentide Power	5½%	1946
Duke-Price Power	6%	1966
Manitoba Power	5½%	1951

Our trading department buys and sells Public Service Securities at the most favorable market prices.
Send for our circulars
RENE-T. LECLERC
Incorporated
Montreal:- 160, St. James St.
Quebec:- 71, St. Peter St.
(ESTABLISHED 1901)
E204

QUEBEC APARTMENTS LIMITED
6½% 1st Mortgage Bonds 1940
Inquiries Solicited
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71 St. Peter St., Quebec, Phone 2-6486.

WILLIAMS, PARTRIDGE & HODGSON LIMITED
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171 St. James St. MONTREAL

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Real Estate Department
CHARTERED TRUST & Executor Company
46 King St. W., Toronto

GOVERNMENT and MUNICIPAL BONDS
W. L. McKINNON & Co.
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO.

We Own and Offer
Avon River Power Company, Limited
First Mortgage 5½% Sinking Fund Gold Bonds (Series A)
In addition to the Hydro Electric Power Plant on the Avon River, Nova Scotia, the Avon River Power Company, Limited, also owns the Windsor Electric Light and Power plant, and acquired on July 1st, the property of the Gaspereaux River Light, Heat and Power Company.
Price 98.50
and accrued interest to yield over 5.60 per cent.
JOHNSTON AND WARD
14 King St. East, Toronto
Members { Montreal Stock Exchange, Toronto Stock Exchange }

Municipal and Provincial Finance

City of Edmonton

5½% Bonds

Edmonton is a prosperous city, sound financially, efficiently managed and enjoying a steady, healthy growth. Situated in the logical distribution centre of a rich farming district and well served by three transcontinental railways and several branch lines, this city is becoming of increasing importance. Adjacent to the city are natural resources in the forms of coal, oil, gas and water power, all of which are promoting the growth of manufacturing. Edmonton is operating at a substantial profit, its own public utilities.

Edmonton municipal bonds are in demand in all parts of the continent.

Price: 101⅜ and interest to yield 5.39%.

Write for descriptive circular.

Gairdner & Co. Limited

312 BAY STREET - TORONTO 2, ONT.

A GREAT SALMON PACK

From the Pacific coast comes word that 1926 promises to be one of the greatest years in the salmon-packing business since its inception. This refers not only to the excellence of the catch but to world trade conditions.

The present indication is that the pack of salmon will be 10 to 20 per cent in advance of last year.

Probably no better investment opportunity has been offered to Canadian investors in recent years. We shall gladly send the booklet "Salmon Canning," describing the industry and telling of the important part which the Gosse Packing Company has played and will play on a larger scale in the British Columbia salmon and fishing industry.

GO19

McLEOD, YOUNG, WEIR & Co Limited

Metropolitan Building

Phone Adelaide 4836

TORONTO

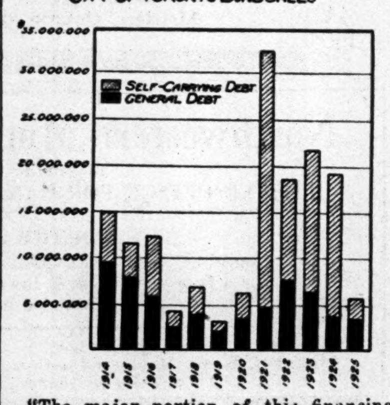
MONTREAL HAMILTON
OTTAWA LONDON

TORONTO BORROWS $40,000,000 IN THE NEXT FEW YEARS

City Initiates Further Programme of New Developments

Toronto's annual financial statement, issued by Finance Commissioner George H. Ross, is again a valuable contribution to the study of municipal finance, being replete with analysis of the city's debt, expenditure and investments that give the lead to similar studies. The report contains valuable comments on matters of general interest to those who follow civic affairs.

The report analyzes Toronto's debt, which stood at the gross figure of $163,951,785, at the end of December last. Net debt, after deducting revenue producing enterprises and sinking funds amounted to $51,417,742. Little additional money was borrowed last year, the city having completed the heavy financing made necessary by its entry into the street railway business. But further financing on a large scale is forecast. A chart shows the trend of the city's borrowing:



"The major portion of this financing has been on account of self-carrying public utilities. The heaviest financing in this regard was in the period 1921-1924 inclusive, and thus the 1925 sales show a decided reduction.

"The city's policy is one of strict economy and in the chart an interesting sidelight is given on the annual capital expenditures for general city services. During, and even since the war, all but absolutely essential undertakings have been curtailed or postponed. However, such a course if pursued too rigorously would result eventually in abnormally costly outlays. This is a recognized maxim of efficient management. A programme of capital undertakings, long deferred, and involving some $40,000,000, has therefore been initiated. The major works include grade separations, the waterfront viaduct, harbor improvements (necessary to viaduct), duplicate waterworks system, North Toronto drainage system, and several other undertakings. All these capital proposals have been deemed necessary by the city council and several are already under way. Financing incident to the above works, while heavy, will be distributed over a period of years.

"From 1921 to 1925, inclusive, debentures sold by the city totalled over $106,000,000.

"During 1925 there was a net decrease of $9,422,430 in the gross debt. This result was produced as follows:

Debt Outstanding Dec. 31, 1924		$173,374,220
Debt redeemed in 1925:		
At Maturity	$9,146,335	
Before Maturity	6,318,068	
		15,464,403
		$157,909,817
New debt incurred in 1925		6,041,968
Debt outstanding, Dec. 31, 1925		$163,951,968

"A notable feature of the year's financial operations was the redemption, before maturity, of $6,318,068 of outstanding debt, in addition to $9,146,335 of debt redeemed at maturity. This was accomplished by utilization of the surplus earnings of the city's sinking fund and specific redemption reserves. The operation emphasizes the successful management of the sinking fund, as a result of which the city has been able to retire, since the war, the sum of $11,801,271 before maturity. The major portion of this debt was incurred for non-revenue-producing services, and the annual saving to the taxpayers will approximate $500,000 per annum for some years to come. The dates and amounts of these redemptions are as follows:

1919	$1,975,313
1921	1,082,805
1923	2,425,085
1925	6,318,068
Total before maturity	$11,801,271

"During the same period, $35,592,265 of debt has been retired in the regular way, viz. at maturity, so that from 1919 to 1925 inclusive the city has redeemed $47,393,536 of its funded debt.

"At the close of the fiscal year of 1925 the amount of unnegotiated debentures was $5,889,000. These were authorized on account of public utilities, but as yet the funds have not been required.

"The problem of tax arrears has yet to be solved. Unpaid taxes at the close of the last three fiscal years were as follows:

1923	$6,787,921
1924	6,302,652
1925	5,977,194

"While for years out of mind it was the practice of the city to borrow annually huge sums of money from the banks, the foregoing chart shows at a glance that—notwithstanding the heavy amount of unpaid taxes at the end of each fiscal year, and the fact that no taxes are due until May—the City for the past four years (and now the fifth) has not borrowed a single dollar from the banks. In the same period, however, very large sums have been secured annually from the banks by way of interest on deposits. The City is, in effect, operating a bank within its own organization, thereby securing to the citizens the benefits that formerly went to others in the matter of interest on borrowings."

Toronto's assets total $179,617,927 and the city has $80,976,579 invested in business enterprises. These are:

Toronto transportation system	$39,798,448
Toronto hydro-electric system	21,708,589
Waterworks	18,402,047
Housing—civic	684,241
Abattoir—civic	383,254

Nova Scotia Will Borrow $6,000,000 in May Next

Nova Scotia's sale af short term bills puts that province in line for $6,000,000 of financing next spring. Nova Scotia got some excellent bids for the $2,500,000 of bonds offered last week. They were not made public but the high bids were just under par for 4½% bonds.

Premier Rhodes, in a statement, explained the refusal to accept any bids:

"Some excellent offers were received, two of them better than the best received when the last funding took place on 1st April, last. A feature which has been engaging the attention of the government for a short time past has been the slow but steady improvement of long term securities, and although its best offer to-day was on a short term basis of two years and just under par, the trend is unmistakable; and was especially emphasized two weeks ago by the very fine offer made to and accepted by the Province of Quebec. European conditions are now becoming more stable; and it would indicate that the better plan to follow at the present time is to withhold the present funding until the next refunding of $3,500,000 takes place on 15th May, 1927, when the two amounts can be consolidated in the expectation of a very satisfactory long term offer being received. In view of these considerations, the government has decided to issue treasury bills for $2,500,000 on 1st August next and maturing on 15th May next at par; rate of interest 4½ per cent. per annum. In consequence thereof, none of the present tenders have been accepted."

Who Pays When Clothes Are Ruined by Tar on Road?

A New York lady has written the Dartmouth, N.S., town council making a claim of $11.00 for clothing, which she stated was spoiled by the splashing of tarvia on the streets. Mrs. McKeigan listed the articles which she claimed were ruined and in her letter she said that there was no crossing afforded for pedestrians.

"The claim of the visitor will no doubt receive immediate attention," says the Halifax Chronicle. "The sum claimed is a comparatively small one and is undoubtedly proportionate with the damage done, but the matter is of deeper interest because during the time the tar was being placed on the streets there was a great deal of speculation as to the responsibility of the town regarding spoiled clothing. Many narrow escapes from disaster were reported at the crossing and several people had their clothing spattered with tar when they slipped. In some cases the sand at the crossings was very light and soon was blown or carried away."

SASKATCHEWAN'S PROGRESS

REGINA.—When Saskatchewan became a province, twenty-one years ago, there were almost 60,000 farms with a little over 2,000,000 acres in crop, according to the provincial minister of agriculture. In 1905 the yield of grain was under 60,000,000 bushels, while in 1925 it was 435,530,000 bushels.

Tenders and By-laws

August 3rd—School Commissioners of Hull P.Q.—$200,000, 5 per cent., serial debentures. Joseph Provost, Secretary-Treasurer.

August 9th—Hawkesbury—$19,986, 6 per cent., debentures due 1926-45. J. O. Bertrand, Clerk, Treas. (See announcement on page 16.)

August 11th—City of Joliette, P.Q.—$50,000, 5 per cent., serial bonds. A. L. Marsolais, Sec.-Treas.

SASKATCHEWAN

Authorizations Granted by the Local Government Board

From July 10th to July 17, 1926

Schools—Delisle Town, No. 2,471, $10,000; Lucien Lake, No. 4,333, $2,500; Krasne, No. 3,058, $3,000; Iron Spring, No. 1,107, $2,750; Piche, No. 2,391, $4,000; Cadillac, R.T. Co., $18,700; Lacadia, R.T. Co., $6,000; Avonlea Village, $7,500; Wiseton Village, $1,700; Saltcoats Town, $3,000; Carnduff Town, $4,000.

Debentures Reported Sold

Sceptre, S.D., No. 3,678, $10,000, 15 years, 5¾%, Cross & Co., Regina; Estell, No. 1,204, $3,000, 15 years, 5¾%, Cross & Co., Regina; Rose Lane, No. 366, $1,000, 5 years, 5⅞%, Regina P.S. Sinking Fund; Rus S.D., No. 2,584, $3,000, 10 years, 6%, Bond and Debenture Corp., Winnipeg; Prairie Union R.T., $1,000, 15 years, 6½%, locally; Lundeen R.T. Co., $2,200, 15 years, 6%, F. Miles, Regina.

BY-LAWS TO BE VOTED ON

NORTH VANCOUVER.—Provided the measures are approved at the next meeting of the District Council, five important by-laws will be placed before the ratepayers early in August. The measure for the expenditure of $135,000 on the Kennedy Lake water scheme is one of the most important that has come before the voters for several years. The second calls for the expenditure of $52,000 for waterworks extensions, and the third, for $5,000, is for the construction of a children's playground at Capilano.

Kenora's Financial State Outlined by Treasurer

"Our town is in exceptionally good financial position," F. J. Hooper, treasurer, of Kenora, Ont., states to The Financial Post. "Tax collections last year, including current and arrears, amounted to 97 per cent. of the tax levy for that year. Our debenture debt, exclusive of revenue producing public utilities, is quite low and while our floating debt of $199,065.34 may seem high, it includes bank advances on capital account, $78,000, which will be taken care of by debenture issues when the works now under construction are completed. These works, the chief item of which is sewers, are being constructed on the local improvement plan.

"It includes also, the amount due sinking fund of $27,438.41. This has been reduced somewhat from last year's amount and our surplus earnings each year are being applied to reduce this liability.

"Actually our floating debt represents $78,752.84 from which should be deducted an amount due current account from capital account for cash advances, of $4,961.72, which would leave our net floating debt $73,791.12.

"Our public utilities are being carried on in a very satisfactory manner. Both the electric light and telephone plants have produced a surplus, the water department having shown a deficit in the amount of $443. This was chiefly due to an extraordinary expenditure made during last year, which was charged into the current year's operation. This item might quite properly have been charged over a period of years and thereby have shown a surplus in this department, as well as the others.

"Included in the amount of unsold debentures ($45,725.71) are debentures of the various utilities, as follows:

Electric light & power	$ 7,819.00
Waterworks	16,577.86
Telephone	18,641.24
	$33,038.10

which we have not as yet sold, owing to our having been able to provide for extensions from our depreciation reserve account."

This Week's Bond Sales

Hamilton Debentures—The following debentures of the City of Hamilton are being sold direct to the public: $196,441, maturing 1 to 10 years, 4½ per cent.; $57,757, maturing 1 to 15 years, 4½ per cent., and $114,529, maturing 8, 9 and 10 years, 4½ per cent.

We recommend

PUBLIC UTILITY BONDS

Send for our Selected List

Browne, Urquhart & Co. Limited.

180 St. James St. Montreal

Tel. Main 8011*.

ATTRACTIVE INVESTMENTS

	Yield
ST. LAWRENCE Paper Mills 6%, 1 Mar., 1946	6.13%
QUEBEC Apartments 6½%, 1 July, 1940	6.60%
CANADA Northern Power 6½%, 1 May, 1941	6.50%
ROLLS-ROYCE of America 7%, 1 Sep., 1937	7%
CANADIAN Paperboard Co. 7% preferred	7%

(Common stock bonus)

H. B. ROBINSON & Co. Limited

Investment Bankers

35 King St. West TORONTO ELGIN 1224 — 136 St. James Street MONTREAL MAIN 8542

Public Utility Securities

For safety of principal and permanence of income, well-seasoned Public Utility Securities are to be recommended.

Inquiries for definite suggestions will have prompt attention.

F.H. Deacon & Co.

227 Bay St. - Toronto

SPENDING FOUR MILLIONS FOR OIL HUNT ON PRAIRIES

(Continued from Page 1)

Turner Valley Field. It will not be long before there will be a chance to prove this theory. It may take longer to disprove it. Vulcan Well is now down close to 5,000-ft., well over 1,000-ft. deeper than Royalite or McLeod. The drillers are satisfied that they are going to get a big crude well. A. G. Spooner, a former Toronto man, head of the company, showed the writer, just before he left Calgary, an analysis of the formation taken from the bottom of the well just a day or so previous. It showed the much sought Dolomite, or limestone. It has the necessary porosity, 59.50 per cent. of calcium carbonate and 33.54 magnesium carbonate. The Royalite came in when 310-ft. into the Dolomite with the magnesium carbonate 37 per cent. and McLeod came in 110-ft. into the Dolomite with the magnesium carbonate content unknown at this point, though it was 37 per cent. at 30-ft. and later dropped back to 18.80 per cent. Vulcan is 40-ft. into the Dolomite. It has been held up fishing for a lost bit that seems wedged in the bottom of the hole despite the fact that it has been lifted a little on three occasions.

Lost Second String

For a time last week there was some excitement when it became known that the fishing tools were lost in the hole and thus with the new fishing rig, the drillers have three strings of tools down in this near 5,000-ft. deep, six inch hole. The lost fishing apparatus was soon recovered and the painfully slow and tedious task of trying to fish out the lost bit was resumed.

It has been going on since July 1, and Mr. Spooner unhesitatingly declared to the writer that were it not for this misfortune the Vulcan would be a large crude producer today. If they cannot get the lost bit out they will drill past it, so that there is no chance of their losing the hole at this stage. If the oil is down there, the drillers say they will bring the well in. If the well is a duster, it will take other failures to upset the Turner Valley theory. "Dusters'" (dry holes) are not uncommon in oil fields, the drillers say.

Thus very briefly is pictured the great activity that is going on in this field with a very crude outline of the theory that is back of all this expenditure. If the theory proves correct, the possibilities of the field are impossible to estimate. Next week the writer will tell the story of Wainwright, a much maligned field.

London Street Railway and City Await the Elections

LONDON.—It is not likely that anything will be done about the agreement between the city and the London Street Railway until after the election this year. When the agreement was handed to the railway on May 17, the company was given 90 days for consideration and reply. This would run out on August 17, but most likely an extension of time will be granted and the matter will not be decided until October.

Mayor Moore suggests that it might be just as well to let the agreement and the settlement between the city and the railway company remain until after the federal and the provincial elections are over. If the provincial elections come in October, the decision as to the final settlement may quite well be made by the city council of 1927,

Gosse Packing Company, Limited

7% Cumulative Redeemable Sinking Fund Preferred Shares carrying a bonus of One Share Common with each Five Shares Preferred

Price: Par and accrued dividend, yielding 7%.

Fully descriptive circular upon request.

MATTHEWS & COMPANY LIMITED

Bond Dealers

255 Bay St., Toronto

VERSAILLES-VIDRICAIRE-BOULAIS - LIMITED

Investment Bankers

MONTREAL QUEBEC

Quebec Municipals and Industrials a Specialty

We offer

City of Edmonton 5½% Bonds

Due Nov. 1st, 1945

Interest payable May 1st and Nov. 1st

Principal and interest payable Canada and New York

Price: 101⅜ and interest yielding 5.39%

McDonagh, Somers & Co.

Government and Municipal Bonds

Dominion Bank Bldg. TORONTO

We are in the market at all times for

British Columbia Municipal Bonds

British Columbia Bond Corporation, Limited

H. E. Boorman, Managing Director

VANCOUVER, B. C. VICTORIA, B. C. NANAIMO, B. C.

INVESTMENTS

Stocks and Bonds for investment bought and sold on all principal exchanges. Private wire New York and Toronto.

OSLER, HAMMOND & NANTON Limited

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Re-Investing to Advantage

A little anticipation will prevent unwise haste in placing your surplus funds, and at the same time prevent loss due to maturing funds lying idle. Let us suggest opportunities for safe and profitable investment for funds you may have shortly available.

Municipal Bankers Corporation LIMITED

34 King Street, East, Toronto

Foreign External Bonds

We can offer you Government and Municipal Bonds on a basis to yield 8 per cent. They may be purchased outright or on a reasonable margin, balance payable at your convenience plus interest at current rates. The Bonds are issued in $50, $100, $500 and $1,000 denominations.

Particulars on application.

EUROPEAN DEBENTURE CORPORATION LIMITED

120 St. James St. Montreal

UNLISTED BONDS

Abitibi 6% 1940	102¾	..
Algoma Steel 5% 1962	29¼	30½
Belding 5% 1936	89	..
Belgo Can. Paper 6% 1943	100	100¾
Burns, P. & Co. 6½% 1943	103⅛	104
Can. National Rly. 5% 1954	101	101⅝
Calgary Brewing 5% 1942	83	..
Can. Steamship Lines 7% 1942	104¾	..
Can. Pacific Rly. 5% 1934	99¾	100⅛
Can. Pacific Rly. 5½% 1944	93	94
Can. Steel Foundries 6% 1936	102	..
Dom. Iron 5% 1939	..	40
Dom. Textile 6% 1949	106¾	..
Elect. Develop. 5% 1933	100⅝	..
Frontenac Brewery 6% 1951	97¾	100
Fraser Companies 6% 1950	96¾	98
H. Smith Paper, 7% 1941	100	100⅝
Laurentide Power 5% 1946	100	..
Laurentian Power 6% 1936	100¾	101½
Prov. of Ontario 5% 1948	101	102
Ontario Pulp 6% 1931	106¾	..
Price Bros. 6% 1943	103⅝	104
Quebec Power 6% 1953	103½	..
Winnipeg Elec. 6% 1954	95¾	96⅝
St. Maurice Power 6½% 1953	108½	..
Jam. Pub. Service 6½% 1943	102½	103½
Span. River P. 8% 1941	107	..
Ottawa Mtl. Pr. 6½% 1949	101	..

BOND MOVEMENTS OF THE WEEK

Week Ending July 27

Bonds—	Int. Rate	Due	Yield	Range. High	1925 Low	Range, 1926 High	Range, 1926 Low	Ask	Latest Price Bid	High	Low
Asbestos, G. M.	6	1956	7.30	..	..	84⅝	83½	83½	..	84¼	83½
Asbestos	5	1942	5.28	100	84¼	98	92	..	97	97	..
Can. Canners	6	1950	6.24	96½	90	98¼	94	98	97	97	..
Can. Cement	6	1929	5.27	103¼	100	103	101½	102½	102¼	102	..
Can. Cottons	5	1940	5.30	96	91½	97¾	95	..	97⅛	97⅛	..
Cedar Rapids	5	1953	4.93	99 ⅛	97	101½	98¾	101	...	101	..
Montreal Tram. (a)	5	1955	5.44	98	92¾	95	92½	94	93⅜	93½	92½
Montreal Trams.	5	1941	5.19	98	94⅜	98½	97	89¼	97¼	98¼	..
Quebec Ry.	5	1939	5.60	98	89¾	95	91⅞	95	94¾	94¾	94½
Steel of Can.	6	1940	5.24	106	103	107½	106	..	107¼	107¼	..
Wabasso	6	1947	5.95	99	92	100½	99	..	100½	100½	..
Wayagamack	6	1951	6.48	98¾	84¼	94	91¾	94	93¾	94	..
War Loan	5	1931	4.70	102.65	101.10	102.40	101.10	101.40	101.10	101.10	.....
Do.	5	1937	4.64	104.95	103.80	104.65	103.35	103.85	103.50	103.75	103.70
Victory Loan	5½	1927	4.68	103.15	101.70	101.75	100.65	101.00	100.60	101.00	.....
Do.	5½	1933	4.73	107.00	105.10	106.80	104.40	104.50	104.40	104.55	104.40
Do.	5½	1934	4.98	104.80	103.20	104.10	103.10	103.35	103.10	103.35	103.10
Do.	5½	1937	4.70	110.00	108.15	109.30	107.35	107.70	107.60	107.75	107.50
Do., Renewal	5½	1927	4.85	102.95	100.80	101.95	100.25	101.00	100.65	100.70	100.55
Do., Renewal	5½	1932	4.95	104.20	102.60	103.40	102.00	102.80	102.45	102.80	102.60
Do., Refund	5	1928	4.75	104.45	100.15	101.30	100.00	100.45	100.10	100.10	100.00
Do., Refund	4½	1940	4.89	97.25	92.00	96.70	95.60	96.50	96.15	96.50	96.05
Do., Refund	5	1943	4.84	102.95	101.15	102.20	101.15	101.80	101.45	101.75	101.50
Do., Refund	4½	1944	4.80	97.65	96.20	97.15	95.80	96.50	96.15	96.50	96.00
Do., Refund	4½	1946	4.81	..	....	96.45	95.65	96.45	96.25	96.35	96.20

WEEKLY RECORD OF CANADIAN FINANCING

Place	Date	—Sold To—	Rate	Maturity	Amount	Price	Yield
Bond Sales—		**Municipal**					
Sask. Schools & Phones	July	Various	5¾ to 6½%	5, 10, 15 yr.	$20,200	....	...
Deschenes, Que., Sch. Com.	June	Credit Anglo-Francais	5½%	1-20 yrs.	$10,000	....	...
Baie St. Paul Sch. Com.		Credit Anglo-Francais	5%	1-10 yrs.	$60,000	....	...
Hamilton	July	To Public	4½%	1 to 15 yrs.	$368,727	....	...
		Corporation					
White Fathers (African Missionaries)		Credit Anglo-Francais	5%	1 to 15 yrs.	$150,000	....	...
Episc. Corp. of Ottawa		Credit Anglo-Francais	5%	10-yrs.	$55,000	....	...
Gatineau Power Co.	July	Harris, Forbes and Syndicate	6%	1941	$12,500,000	99½	6.05
Stock Issues—							
Consumers Gas Co.					Shares $89,200	....	...

House Rates Down; Power Rates Rise

Toronto Hydro-Electric System Probably the Largest in World

Toronto Hydro-Electric System is probably the largest city-owned light and power enterprise anywhere. Its assets total almost $35,000,000. It is the sole distributor of light and power in a city of some 600,000 people. Annual revenue is close to $9,000,000. It carries a peak load of 195,000 h.p. and a connected load of 585,000 h.p. to 145,000 customers and 51,000 street lights.

These figures are available from the recent annual report of the system.

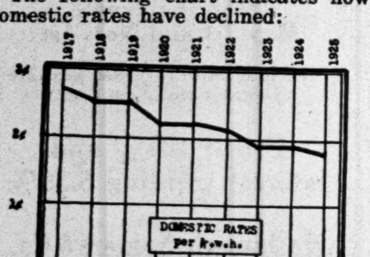
Much discussion of light and power rates is contained in the report, and it is pointed out that lighting rates to Toronto consumers have been reduced under the regime of the Toronto Hydro-Electric Commission. "The overall average revenue per kilowatt hour sold to Toronto users of electricity, in 1912, was 2.398c.; in 1916, due to abnormal war conditions, 1.371c.; in 1921, was 2.021c.; in 1925, was 1.762c.," says the report. This downward tendency is in keeping with the general reduction in power and lighting costs throughout Canada, where water-developed electrical energy is available.

Some Rates Down; Some Up

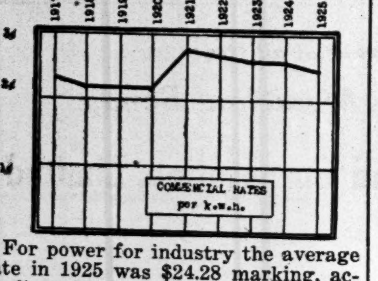
The report does not make any comparison between domestic, or house rates, and industrial, or power rates. Figures taken from the annual report of the Ontario Hydro-Electric Commission's annual statement, which has also been made public recently, show that domestic lighting rates for the 113,000 home users of electric current have been going down in Toronto; the rate to the 19,000 commercial users has remained practically stationary and the rate to the 3,000 consumers of industrial power has advanced.

Average cost per k.w.h. to domestic consumers was 1.8c. in 1925, although direct current and 60-cycle service averaged 3.30c. Reductions in rate have not been extended to this type of service.

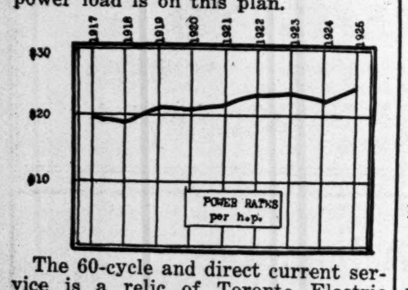
The following chart indicates how domestic rates have declined:



Commercial service averaged 2.5c. per k.w.h. in 1925 except for that proportion which was on direct current and 60-cycle service, where the rate averaged 4.2c. The trend of commercial lighting rates has been as follows:



For power for industry the average rate in 1925 was $24.28 marking, according to the provincial records, a new high point. For direct current and 60-cycle service the average rate was $31.90. About a fifth of the power load is on this plan.



The 60-cycle and direct current service is a relic of Toronto Electric Light Company days.

Eddy Company Adopts Employee Insurance

The E. B. Eddy Company, of Hull, Que., has introduced a large scale insurance scheme for the employees. From July 23 the 1,400 employees of the company become protected by life and accident insurance. The plan is not contributory, since the company pays the entire cost.

According to arrangements which have been made with the Metropolitan Life, each single employee will be protected to the amount of $500 of life insurance; married men and widowers with dependants will have $1,000 life insurance. The contract also covers the employees with an equal amount of accidental death and dismemberment insurance. In the event of an employee dying as a result of an accident within 90 days of the date of accident, the beneficiary will be entitled to the full amount of insurance, plus $500, or $1,000 of accidental death and dismemberment insurance, as the case may be.

The total amount of insurance involved under this plan is over one million dollars.

In addition to the above, all employees insured under this plan will be entitled to the free nursing service of the insurance company, providing they live in the nursing area.

HENS ARE DOING WELL

OTTAWA.—Egg production in Canada has increased by over one hundred million dozen, or seventy per cent., since 1920, according to the Canadian minister of agriculture.

Insurance for Buyer and Seller

MOST AUTOMOBILE ACCIDENTS NEED NEVER TAKE PLACE

Thoughtlessness and Carelessness Set Down as Chief Causes

Automobile accidents have increased so rapidly with the growth in vehicular traffic, as to make the study of such accidents a matter of vital interest to every insurance man.

Study by competent bodies of automobile accidents, reveals that the popular tendency to blame the automobile driver for all accidents is not fair, although a recent analysis of some thousands of accidents put the blame for three-fifths of all automobile accidents on the driver. These figures distribute the blame as follows:

Factor causing accidents	Per cent.
Operator	60.6
Non-operator	27.4
Total human factor	88.0
Vehicle	7.4
Highway	4.6
Total physical conditions	12.0

Causes of Accidents

One American state that analyzed 20,000 accidents found twelve causes responsible for nearly four-fifths of all accidents. These causes were:

Causes	Percentage of total accidents due to cause
1. Inattention of driver	20.6
2. Failure to grant right of way	17.3
3. Skidding	8.7
4. Pedestrian crossing street carelessly	6.4
5. Driving on wrong side of road	5.7
6. Careless backing	3.2
7. Inexperience	3.0
8. Careless motorman	3.0
9. Failure to signal	3.0
10. Pedestrian stepping from behind other objects without looking	3.0
11. Carelessness of unknown operator	2.3
12. Following too closely	2.3
All twelve causes	78.5
Number of different causes listed in complete analysis	57

Most accidents, however, cause only property damage and not personal injuries or death. Another state segregated a group of personal injury accidents and discovered the following chief causes:

Cause	Percentage of total times cause was involved in an accident
1. Too fast for conditions	26.1
2. Inattention	13.0
3. Wrong side of road	5.4
4. Child darting in front of motor vehicle	5.3
5. Pedestrian running across street	4.2
6. Confused operator	3.2
7. Inexperience	3.1
8. Operator had been drinking	2.7
9. Obstructed view	2.6
10. Violation of right-of-way law	2.5
11. Cutting in ahead	2.3
12. Too close to other vehicles	2.3
All twelve causes	72.7
Number of different causes listed in complete analysis	51

Causes of Fatal Accidents

However, when fatal accidents are considered, it is found that about two-fifths of all fatalities are due either to jay-walking or to children playing in the streets.

The twelve most frequent causes of fatal accidents are:

Cause	Percentage of total accidents due to cause
1. Adult jay walking	25.1
2. Children crossing against traffic rules or playing in streets	14.0
3. Too fast for conditions	12.9
4. Violating rules of road	8.3
5. Intoxication	4.9
6. Fog, snow or rain	4.5
7. Pedestrians confused	4.3
8. Skidding	3.9
9. Inattention	3.8
10. Confusion of driver	3.7
11. Defect in vehicle	3.3
12. Inexperience	2.8
All twelve causes	91.5
Number of different causes listed in complete analysis	22

Recommendations to Save Lives

Recently, at Washington, there was held a national conference on street and highway safety. A committee in causes of accidents brought forward some interesting views as follows:

"The appalling annual increase in automobile accidents is due in large measure to the tremendous increase in the number of vehicles upon our roadways. It has not been possible, in the comparatively few years since the advent of the motor car, to alter streets and highways to meet the needs of this enormous growth of vehicular traffic. Nor have all the people who walk and drive been able to acquire the necessary skill and judgment to cope with the multiplicity of hazards which have resulted.

"These hazards must be reduced, and at the same time the level of competence must be raised. Provision must be made for the greatest possible improvement in cars, highways, and traffic systems; and the public must be brought by education and regulation to a point where it can and will avoid as far as possible the dangers inherent in highway transportation.

"In accident prevention the lessening of human incompetence and of physical hazards are both of great importance. To this end a clear understanding of all the factors which cause or contribute to cause accidents is indispensable. Unfortunately reliable and detailed data on which to build a sound knowledge of underlying causes are very difficult to get. The facts cannot all be gathered by traffic officers, participants and casual observers of accidents. Information from these sources, important as it is, must be supplemented by special investigations. The conclusions of this committee based on such data as are available to-day are, therefore, followed by a series of recommendations for extensive and intensive studies. There is need for research and experiments, carefully planned to lay a solid foundation of knowledge about accidents, why they occur, and what must be done to prevent them.

Specific Conclusions Arrived At

Conclusions from available data on accidents are as follows:

"1. Accidents to pedestrians and to motorists.—Fatal collisions of motor vehicles with pedestrians seem to be increasing at a rate out of all proportion to the rate of increase in the total number of fatal traffic accidents. Should not the education and regulation of pedestrians as well as of drivers be given greater attention than at present?

"2. Examination and licensing of operators.—A large number of accidents have been caused indirectly by the failure of many jurisdictions to require a license to drive, or, when a license is required, to examine adequately all applicants and to refuse licenses to those who are a menace.

"3. Dangerous human traits.—Recklessness, carelessness and incompetence are the human traits which most frequently lead to accidents. So far as practicable, means must be developed for discovering and removing from the highways all who show that they cannot or will not drive in a manner thoroughly consistent with safety. A driver's incompetence may consist of (a) ignorance of regulations and customs, (b) lack of sufficient strength or quickness or skill in managing his motor vehicle, (c) serious defect of sight or hearing, (d) defective intelligence, or (e) temperamental inability to maintain self-control and do the right thing in an emergency. This last form of incompetence is the hardest to discover, but the other forms readily come to light in an adequate examination.

"4. Conflicting habits.—Confusion, due to conflict of a driver's old and new habits, or due to different habits of different drivers, frequently causes accidents. This confusion can be reduced by the adoption of uniform laws, uniform regulations and rules of the road, uniform signs and signals and uniform mechanisms of car control.

"5. Alcohol.—The universal condemnation of the intoxicated driver is fully warranted by the facts. It is less generally recognized that even small amounts of alcohol, quite insufficient to intoxicate, tend to decrease the higher forms of skill and perhaps also to lessen the sense of responsibility. It is highly probable that alcohol has contributed to many accidents which have been ascribed to inattention, confusion, recklessness, loose steering gear or some other cause. Investigation is necessary to determine the extent to which alcohol is either a contributory or a principal cause of accidents.

"6. Fatigue. — A disproportionately large number of accidents occur at the peak hour of traffic in the late afternoon, as contrasted with the number at the peak hour in the morning. It is important to determine how far various obscure factors, such as fatigue of drivers from a long period at the wheel, as well as fatigue of drivers and pedestrians after a day's work, cause this significant increase of accidents in the late afternoon, in order intelligently to focus a campaign of prevention upon this period when casualities are most frequent."

Underwriters to Hold Big Convention in September

While the program for the forthcoming convention of the U. S. National Association of Life Underwriters, in conjunction with the Life Underwriters' Association of Canada, to be held in Atlantic City early in September, is in process of formulation, the details having not been worked out to a point where it would be safe to make announcement of a definite character, but it is possible to announce the general plan which the program committee have in mind.

The theme adopted by the committee at its session at Detroit on June 4 was "Raising the Standards of Life through Life Insurance." Every section of the program will swing into logical sequence around that central idea. The program committee feel that in its last analysis the object of life insurance is to raise the standards of life. The theme in its broad aspects is to be discussed by outstanding speakers of national and international prestige, who will show life insurance can raise the standards of life through augmenting educational progress, social progress, economic progress and national progress as a whole. The committee has not forgotten that the effectiveness of life insurance as a method of raising the standards of life depends upon its distribution. Therefore, the program will consider practical methods of carrying the message of life insurance to the public so it may become available for raising the standards of life.

June Was Record Month in Life Insurance Sales

Ordinary life insurance sales in Canada in June were the highest ever recorded in any month, according to figures just issued by the Life Insurance Sales Research Bureau, of Hartford, Connecticut, which has monthly figures from January, 1921. During the month $44,634,000 of new business was paid for by companies having in force 84 per cent. of the total outstanding business in Canada. This is an increase of $2,327,000 or 6 per cent., over the sales of June of last year, which was the highest month on record. The report includes the production of new paid-for business, exclusive of revivals, increases, dividend additions, re-insurance from other companies, and group insurance.

All the provinces in the Dominion, with the exception of Ontario and Prince Edward Island, show improved conditions. Nova Scotia and Quebec lead with gains of 18 per cent. and 15 per cent. respectively. The increases range from 4 per cent. in Manitoba to the record gain of 18 per cent. in Nova Scotia.

The records of the cities vary widely. Improvement is most noticeable for June in Montreal, which shows a 23 per cent. gain; and in Quebec, which shows a 21 per cent. increase. Vancouver follows closely with a 19 per cent. gain.

For Six-month Period

The amount of insurance purchased during the first six months of this year aggregated $228,817,000, an increase of $21,724,000, or 10 per cent., over the same months of 1925. Every province in the Dominion shares in the general gain for the first six months. Sales in Saskatchewan show the greatest increase for the six months, or a 27 per cent. gain. Ontario and Quebec, the two most important provinces, show increases of 6 per cent. and 13 per cent. respectively for the year to date.

The gain in the twelve months ended June 30, 1926, over the preceding twelve months is 11 per cent. Every province with the exception of New Brunswick, shares in the gain.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

WESTERN
ASSURANCE COMPANY
Incorporated 1851
Fire—Marine—Automobile—
Burglary—Guarantee
Assets Exceed $6,000,000.00
Security to Policyholders, $4,000,000.00.
HEAD OFFICE - TORONTO

Large Dividends Do Not Always Spell Risk

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Specializing in insurance companies' shares, we are in an enviable position to give you unbiased opinions and information.

A copy of an interesting booklet, "Insurance Stocks," explaining much about this type of investment will be mailed upon request.

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Showers on Pacific Check Forest Fires

VANCOUVER.—Rain visited the Pacific coast of British Columbia to-day and in it was seen relief from lightning, heat and fire that has beset Oregon, Washington, Idaho, Montana, Alberta and this province since Friday.

The temperature dropped in the night. Reports of improvement included Vancouver Island.

A sawmill and some small houses were destroyed by fire along the Pacific Great Eastern Railway, seventy-five miles north of here. The flames covered 2,000 acres and swept high up a mountain.

The death list of the scorching received by the Pacific Northwest for five days remained at nine.

THE CENTRE FOR TOURISTS

In the month of June 546,930 tourists entered Canada at Niagara Falls, according to the report of the inspector of immigration at that port. This constitutes that point as the most popular centre of American tourist attraction.

CPTCo
CAREFREE HOLIDAYS
Your holidays will be more enjoyable and more beneficial if there are not any misgivings about the safety of securities and valuables in your unprotected home.
Assure their protection by placing them in a safety deposit box in our
Modern Safety Deposit Vault
Latest safety devices. Up-to-date facilities. Moderate rentals.
THE CANADA PERMANENT TRUST Co
Paid-up Capital One Million Dollars
Toronto Street, Toronto
Manager, Ontario Branch - A. E. Hessin 22

Northwestern Mutual Fire Association
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA, HAMILTON, ONTARIO
THE NORTHWESTERN MUTUAL
Combined loss and expense ratios on Canadian business for a five year term is lower than the average loss ratio alone of all companies.
Writing Fire Insurance at Cost. Assets $3,118,764.97.
Norman S. Jones, Manager for Canada. R. J. Mahony, Associate Manager.
All policies dividend paying and non-assessable.

THE MONARCH LIFE
IS A
GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

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TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary — W. H. HUNTER, President — ALEX. STEWART, Treasurer

EDUCATIONAL ENDOWMENT POLICY
This splendid policy guarantees your child a university course. It can also be taken out to provide your son with business capital or your daughter with a marriage portion. Suppose your child is now three years old. To provide him with $2,000 at the age of 19 you can take out a policy covering 16 years. If you die unexpectedly, the full $2,000 would go to your child at the age stated. If the child dies the money becomes payable to yourself. Profits of the Northern's Educational Policy are declared every five years.
Write our Home Office about this attractive, new plan, or see your nearest Northern Life Agent
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ASSURANCE COMPANY OF CANADA
LONDON, ONTARIO — ESTABLISHED, 1897

Metropolitan Life
Insurance Co.
The Company's Canadian Head Office is in Ottawa where its Canadian business east of the Rockies is transacted. Canadian premiums are received, Canadian policies issued and Canadian claims paid in Ottawa.

Canadian Head Office
Ottawa, Canada.
Business Written in Canada in 1925........ $165,123,047
More than that of any other company.
Insurance in force in Canada, end of 1925. $633,644,780
Largest amount in force in Canada in any company.
Policies held by Canadians, end of 1925.. 2,218,742
Largest number in force in any company in Canada.
Paid Canadian Policyholders in 1925...... $ 8,540,178
Investments in Canada, at end of 1925....... $125,160,919
Invested in Canadian Government and Municipal Bonds.. $ 86,743,283

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Current Events in Banking World

Logan Studied Industries and Trade as Steps to High Office

When Sydney H. Logan was made general manager of the Canadian Bank of Commerce there was not a little surprise in financial circles, but that there was no lack of precedent for the promotion to this high office of the bank's New York agent is pointed out by Frank J. Ayearst, in a sketch of Mr. Logan's career in MacLean's Magazine. He was the fourth of the bank's Gotham representatives to succeed to the title of "G.M."

On leaving high school, at the age of sixteen, Sydney Logan was given a start with the old Halifax Bank in the Nova Scotia coal mining town of Springhill.

He was moved to New Glasgow at the time the great development in the steel business was going on. Both there and at Sydney the subjects he heard discussed were, naturally, concerned with the steel industry, and, in consequence, his mind accustomed itself to consideration of big affairs. It was at New Glasgow that he acquired the nickname of "Logie," which has continued through his entire career, following him even into Wall Street and Toronto.

When the Bank of Commerce took over the business of the Halifax Bank, in 1903, it was evident that Sydney Logan would never become a banker of the pawnbroker type, and that he was extremely anxious to have a practical banking experience in many lines of industry. This was most impressively shown in his answer to a question asked him by the inspector of the Commerce on his first visit.

"I hear, young man, that you can mine coal and roll steel rails with the best of them—so what would you like to master next?" he was asked.

Mr. Logan's prompt and emphatic reply was: "I'd like to learn something about the lumber business." As a result he was transferred to Wiarton, which at that time was a great centre for saw-milling operations. There he acquired a knowledge of the lumber business, which, along with his experience in the coal mining and steel-milling districts of the East, gave him a broad foundation as a commercial banker.

He had been singled out already by the higher officials of the bank as a young man of unusual promise, and, in 1905, when Cobalt came to the front, he was sent there as manager. He was then just twenty-four years of age, and at that time became the youngest manager in the whole institution.

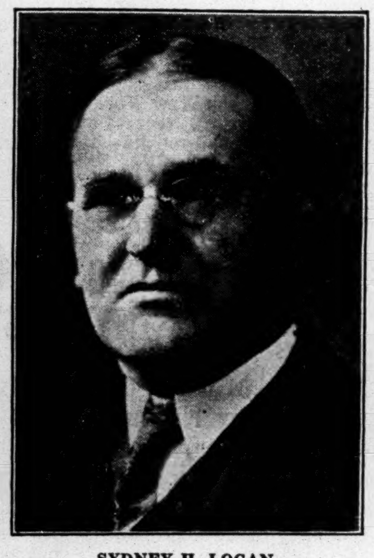
In 1906 the great Cobalt boom set in and no less than $75,000,000 poured into Cobalt in that one year. And from it Canada received much favorable publicity in all parts of the world. In Gotham, in those days, if a New Yorker was asked where Toronto was, he was apt to reply: "Oh! Let me see; yes, I know, that's the place where you change cars for the Cobalt." And to this town, *seething with the* excitement of a great *mining boom*, came a bank manager not much more than a boy, whose head was set so squarely on his shoulders that not for a single instant did he lose command of any situation, however difficult.

During his Cobalt days he made the acquaintance of a wide circle of friends, both in Canada and the United States, and was one of the best known men in northern Ontario. He developed a very remarkable memory, and to-day probably can recall more names and faces than any other banker in Canada. He also formed the opinion that a young man in order to reap the full benefit of his day's work should spend many evenings learning just what his work means, and its relation to the general scheme of affairs. In Cobalt this meant that a man, to be a successful banker, had to become thoroughly conversant with conditions in the United States, Mexico, China and India, the latter countries being the great silver importers. All this study, and an alert, wide-open mind, helped to transform a small-town bank manager into a banker with a broad, international point of view.

A few years later, when Cobalt had settled down into steady thriving mining community, Mr. Logan made a special trip through the Northwest for the bank, studying conditions in Winnipeg, Edmonton, Calgary, Regina and Saskatoon. This gave him the opportunity to understand banking and commercial conditions throughout the Dominion pretty thoroughly.

Until 1913 his entire experience had been in Canada, and in that year he was sent to Newfoundland, there to receive an introduction to export business. As in the Cobalt country, to be a successful banker and not just the bank's agent for accepting deposits, it was necessary to study conditions in the great fish-importing countries of Portugal, Spain, Italy, Greece, Cuba, and the West Indies, to whom Newfoundland exports great quantities of fish. Naturally, these far afield operations continued to develop still wider vision, and, when the bank in 1917 looked around for a man to consolidate and take charge of its foreign operations, Mr. Logan was the logical choice for the task.

The foreign trade of a country rides on two great carriers—banking and insurance; and increased foreign trade for Canada meant increased foreign business for the bank. Sir John Aird, with the characteristic vision that made him the president of the bank, realized that after the war Canada must have foreign trade, so he asked Mr. Logan, as soon as his foreign department was organized and running smoothly, to plan a visit to those cities of the world in which Canada was interested, or where a market could be developed for Canadian goods. In company with the late Sir Edmund Walker, then president of the bank, he visited China, Japan and South America. He also made a very thorough study of the possibilities in Australia, New Zealand, the Philippines, Hawaiian Islands, the United Kingdom and Europe. As a result of these visits, and of co-operation with the Department of Trade and Commerce at Ottawa, and their trade commissioners, millions of dollars in export trade came to this country. This gave him an exceptionally broad background for his associations with international bankers, when he was sent to New York, in 1923, as the bank's senior representative.



SYDNEY H. LOGAN.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities

	July 23, 1925	July 22, 1926
Halifax	$ 2,779,625	$ 3,748,135
St. John	2,745,976	2,815,533
Moncton	858,107	962,159
Sherbrooke	805,191	981,980
Quebec	6,345,921	5,690,374
Montreal	95,496,214	100,560,125
Ottawa	5,535,469	6,980,326
Kingston	623,576	717,110
Toronto	86,176,307	96,573,449
Hamilton	5,165,497	5,878,046
Brantford	1,033,701	1,084,772
London	2,372,933	2,827,904
Kitchener	941,775	971,708
Windsor	4,244,132	4,575,251

Western Cities

	July 23, 1925	July 22, 1926
Ft. William	$ 981,138	$ 1,066,741
Winnipeg	46,291,547	44,457,171
Brandon	637,413	648,490
Regina	4,949,789	3,953,562
Saskatoon	1,487,358	1,851,611
Moose Jaw	1,037,646	1,175,221
Prince Albert	279,862	332,114
Lethbridge	574,575	....
Calgary	6,211,407	5,722,057
Edmonton	4,250,011	5,034,539
Medicine Hat	236,462	301,285
New Westminster	599,030	737,219
Vancouver	16,215,847	17,544,078
Victoria	1,[illegible]47,268	2,553,769

Bank of Toronto Publishes Figures for the Half Year

Shareholders of the Bank of Toronto will be interested in figures of the bank's position for the half-year to the end of May which have recently been issued. Following is a summary showing changes in various important items as compared with the end of the bank's year in November last:

	May 1926	Nov. 1925
Cash, Notes and cheques deposits with banks, and Dom. Govt.	$16,965,514	$19,164,562
Loans to Govt. and Mun.	2,232,860	....
Securities owned	32,642,357	29,976,404
Call & short loans	8,280,511	6,601,261
Loans & advances	46,321,596	47,295,267
Mortgages	212,664	64,912
Premises	3,501,163	3,321,748
Letters of cred.	1,305,364	1,159,929
Liabilities		
Deposits	$89,260,236	$84,558,764
Notes in circ.	7,206,067	8,405,841
Bills pay.	445,000	1,136,812
Letters of cred.	1,305,364	1,159,929
Advances	600,00	....
Other liab.	216,872	183,438

Staff Gossip

James Nichol, who has been teller in the local branch of the Standard Bank for several months, has been transferred to a branch of the bank at Orono. Mr. McLachlin, of Hensall, is the new teller in the local branch.—Standard, Forest.

* * *

D. D. Lennie, of Toronto, arrived in the city to assume the duties of accountant at the local branch of the Canadian Bank of Commerce.

C. B. Jones, of the head office of the Canadian Bank of Commerce, left for Goderich, after spending several months at the local branch of the bank.—Sun-Times, Owen Sound.

* * *

Hugh B. Adams, manager of the Canadian Bank of Commerce at Weyburn, Sask., has been promoted to be manager of the Regina branch of the bank in succession to Hunter Gordon, transferred to Vancouver.—Post, Regina.

* * *

Jimmie Woodford has arrived in town from Natal, B. C., to resume his old position on the Imperial Bank staff here. W. D. Wood, who has been on the staff here for the past few months, has been transferred to Natal.—Review, Redcliff.

* * *

James Cameron, manager of the Moose Jaw branch of the Canadian Bank of Commerce for the past five and a half years, has been promoted to the position of inspector in the department of the manager-in-chief at Hamilton, Ont. The successor to Mr. Cameron has not yet been appointed, and he expects that he will remain at Moose Jaw for several weeks to turn over the office to his successor.—Leader, Regina.

* * *

Gavin Shearer, who has been manager of the local branch of the Bank of Commerce for the past six years, has been transferred to the head office of the bank at Toronto His place here will be taken by Andrew Lowrie, formerly manager at Hanna, Alberta, who will not, however, assume the management of the branch until some time in September, Mr. McPhee being left in charge in the meantime.—Review, Claresholm.

* * *

H. A. C. Scarth, for the past five years manager at Yarmouth of the Canadian Bank of Commerce, received word that he is to be transferred to the managership of the bank's branch in Charlottetown, P. E. I. Since coming to Yarmouth, Mr. Scarth has established the reputation of being a thorough banker, and, through his energy, the Bank of Commerce is among the leading institutions of the town. His departure is evoking expressions of regret from all who have business relations with that bank.—Chronicle, Halifax.

Victoria Manager of Commerce to Retire

VANCOUVER.—W. H. Hargrave, manager of the Canadian Bank of Commerce at Victoria since August, 1917, has decided to retire from active service on September 30. He has had a long career in banking, commencing in May, 1881, when he joined the service of the Eastern Townships Bank. Advancing quickly, he held several managerial appointments, and when that bank decided to enter the Pacific coast field in July, 1905, he was selected as manager of the Vancouver office and also acted in a supervisory capacity respecting other branches in British Columbia.

When the Eastern Townships Bank was amalgamated with the Canadian Bank of Commerce in March, 1912, he continued as manager of the office opened by him at the corner of Hastings and Cambie Streets until August, 1917, when he was appointed manager at Victoria.

P. B. Fowler, at present manager of the bank's Victory Square branch in Vancouver, has been selected to succeed Mr. Hargrave. He is already well known to many old residents of Victoria, having been with the Bank of British Columbia there under the management of the late W. C. Ward, and afterwards under that of the late George Gillespie, continuing after the amalgamation of that bank with the Canadian Bank of Commerce, and having in all twelve years' experience in the office where he now becomes manager.

Higher Rates for Call Money Looked for in Wall Street

NEW YORK.—The comparatively low rate on call money is due to the excessive funds coming from all parts of the country and seeking employment at the present time in the New York call money market.

We should normally expect a low rate at this time, according to bankers, who maintain it is likely that call money by the first of August will stand at 4½ per cent. In some quarters there is a disposition to consider the possibility of an increase in the Federal Reserve rate at an early date and this feeling seems to be an out-growth of the tendency toward firmer money rates which are quite generally expected.

It is contended also that time money will remain firm and even go slightly higher in the next few weeks than the present rate of 4½ per cent. to 4¾ per cent. on the New York money market. Brokers point out that the low rate for time money in 1925 came in May at 3¾ per cent. and that the low rate this year in May was 4 per cent.

BANK FUNDS GAMBLED AWAY

Atlanta.—John W. Boykin, Fulton county solicitor general, announced to-day that evidence of "fictitious transactions" and use of bank funds for bucket shop speculation are being disclosed by the investigation his office is making into the affairs of the Bankers' Trust Co., against which bankruptcy proceedings last week resulted in the closing of more than eighty small banks in Georgia and several in Florida.

Personals

A. S. McNEIL, the retiring general manager of the Dominion Coal Co., had an experience typical of others in the Cape Breton field. In 1891, he started in the mine with his father, working at all the different kinds of labor that there was for boys to do. His first official position was with the Dominion Coal Co., as overman at No. 2 colliery, which to-day is the corporation's largest producer. He continued in that position for several years and was advanced to underground manager, and in 1909, to manager. After serving the company as manager for seven years, in 1916 he was appointed district superintendent of mines for the Dominion Coal Co. and in February, 1919, general superintendent of mines for the Nova Scotia Coal and Steel Co. In June, 1921, following the completion of the merger, he was made general superintendent of mines for the Dominion Coal Co. and the Nova Scotia Steel and Coal Co., in the Cape Breton field, and in 1923 his duties were extended to include the collieries of the Acadia Coal Co. and the Cumberland Railway and Coal Co., on the mainland.

NEW ISSUE

GATINEAU POWER COMPANY

6% Sinking Fund Gold Debentures

Dated June 15, 1926 — Due June 15, 1941

Interest payable June 15th and December 15th in New York and Boston in United States gold coin and in Montreal and Toronto in Canadian gold coin. Redeemable at any time at the option of the Company in whole or in part on thirty days' published notice at 105 up to and including June 15, 1931 and thereafter at ½% less each succeeding year, plus accrued interest in all cases. Coupon Debentures of denominations of $1000 and $500, registerable as to principal only, interchangeable in like principal amounts.

MONTREAL TRUST COMPANY, MONTREAL, TRUSTEE.

SINKING FUND: The Indenture will provide for a cumulative semi-annual Sinking Fund, payable in cash or Debentures at the current redemption price beginning June 15, 1927, estimated to retire well over 40% of these Debentures prior to maturity.

The following information is summarized by Mr. A. R. Graustein, President of the Company:

Company: Gatineau Power Company, a Quebec corporation and a wholly owned subsidiary of International Paper Company, will own in fee or hold through long term government leaseholds water power sites in the Province of Quebec, with an aggregate potential capacity in excess of 700,000 h.p. The Company is now undertaking a development program calling for the completion by the fall of 1928 of four hydro-electric plants with an initial aggregate installed generating capacity of 397,500 h.p., of which 373,500 h.p. is on the Gatineau River. This river, one of the most important power rivers in Quebec, enters the Ottawa River from the north in the vicinity of the City of Ottawa. Two of the developments with over half the initial capacity lie within seven miles of that city.

Power Contracts: Contracts for the sale of over 90% of the primary power to be generated by the initial installations at these four plants have already been executed with the Hydro-Electric Power Commission of Ontario, the Canadian International Paper Company and the Canada Cement Company, Limited, and the balance is expected to be readily absorbed in the adjacent power markets. The Trust Deed under which the First Mortgage Bonds of Gatineau Power Company are to be issued will contain provisions limiting and defining the conditions under which certain changes may be made in these contracts in order to introduce the reasonable flexibility desirable in long term contracts.

Upon completion of all four power plants and the delivery of the ultimate amount of power under the contract with the Hydro-Electric Power Commission of Ontario, it is estimated that net earnings of the Company available for interest and reserves will exceed $5,400,000 per annum, or over twice the combined annual interest requirements on the entire $37,500,000 First Mortgage Gold Bonds and $12,500,000 6% Gold Debentures issuable against this initial construction program and that the thirty-year contract with the Ontario Hydro-Electric Power Commission will alone produce annual net earnings for interest and reserves over 1¼ times such interest charges.

Guarantee of Completion: A deposit sufficient, in accordance with careful estimates checked by independent engineers, to provide funds for the completion of the present development program up to the initial capacity of 397,500 h.p. will be held in escrow so long as required subject to withdrawal as expenditures are made for this purpose. This deposit will be composed largely of cash, and the balance will consist of $12,500,000, (the portion of the initial issue not being sold at this time) of the Company's First Mortgage Bonds, International Paper Company agreeing to find purchasers for these Bonds as additional cash is required. International Paper Company has, furthermore, guaranteed to provide any additional funds which may be necessary for the completion of this initial development program.

Capitalization: (Upon completion of the present program)

	Outstanding
STOCK:	
Common (no par value)	500,000 Shares*
Preferred, 6% Cumulative	$25,000,000*
FUNDED DEBT:	
6% Sinking Fund Gold Debentures	$12,500,000
First Mortgage Gold Bonds, 5% Series due 1956	$37,500,000†

* All owned by International Paper Company except directors' qualifying shares.
† Includes $25,000,000 of Bonds being offered at this time and $12,500,000 additional to be issued and held in escrow. Further First Mortgage Bonds may be issued under the conservative restrictions of the Trust Deed.

International Paper Company: International Paper Company with its subsidiaries is the largest manufacturer of paper in the world and one of the largest holders of water powers in North America. The capacity of its paper mills is more than twice as great as that of any other company on this Continent. Upon completion of the present development program of Gatineau Power Company, International Paper Company with its wholly owned subsidiaries will have developed water powers with a total installed capacity of almost 600,000 h.p. (500,000 h.p., hydro-electric and 100,000 h.p., hydraulic) capable of being increased through further development and through the utilization of undeveloped sites to about 1,400,000 h.p.

WE RECOMMEND THESE DEBENTURES FOR INVESTMENT

PRICE 99½ AND INTEREST, YIELDING 6.05%

These debentures are offered for delivery when, as and if issued and received by us and subject to approval of counsel. Legal matters in connection with the Indenture and the issue of debentures thereunder, are to be passed upon for the Bankers by Messrs. Rushmore, Bisbee and Stern, New York, and Messrs. Lafleur, MacDougall, Macfarlane and Barclay, Montreal, and for the Company, by Messrs. Davis, Polk, Wardwell, Gardiner and Reed, New York, and Messrs. Brown, Montgomery, and McMichael, Montreal. The Gatineau River properties have been examined and the program for their development approved by the J. G. White Engineering Corporation. It is anticipated that temporary debentures or interim receipts will be available for delivery on or about August 17, 1926.

Harris, Forbes & Company Limited

Drury & Co. — Wood, Gundy & Company Limited

Royal Securities Corporation Limited — Hanson Bros.

Dominion Securities Corporation Limited — A. E. Ames & Company Limited

Nesbitt, Thomson & Company Limited — The National City Company Limited

René-T. Leclerc Incorporée — Greenshields & Co.

WRITING DOWN OF C.N.R. CAPITAL IS NOT A PANACEA

So Says Prof. Jackman in "Economics of Transportation"

IS RATE TREND UP?

New Publication Most Important Pronouncement Made on Leading Problem

That the writing down of the capital of the Canadian National Railways would not achieve the end hoped for by its advocates, is one of the outstanding opinions presented by Professor Jackman of the University of Toronto in his "Economics of Transportation," which has just appeared on the market this week. In this vital pronouncement on one of Canada's most intricate problems, the writer points out that in any event only that part of capitalization which represents unproductive expenditure could be wiped out. "In any case," says the concluding sentence of the argument, "a reorganization that may go no further than the writing down of capital is likely to prove of little avail." "Economics of Transportation," is the first big authoritative work on railway transportation definitely applied to conditions and problems in the Dominion. Produced as it is by the leading authority in the field, the book will be an important instrument in the advancement of public interest in, and understanding of this dominant problem.

While "Economics of Transportation" is a comprehensive study of the whole field and is therefore of primary interest to the student of transportation and to practical railway men, certain sections command the immediate attention of the business man and the manufacturer. This is especially true of those chapters dealing with the principles and practice of rate fixing, and the relation of freight rates to the general level of prices. There is a keen controversy at the moment between those interests who advocate a wholesale lowering of rates and those who maintain that this is impossible if the railways are to pay their way. The book contains an exhaustive study of how rates are determined, and the importance to business in general, of adequate and yet not excessive rates.

Rates Relate to Business

"If freight rates are favorable, industry and agriculture are pursued with greater earnestness and profit, and with the greater profit there is the inducement to undertake new forms, or a greater amount of the existing types of production." In these words Prof. Jackman summarizes the importance of a careful adjustment of freight rates to what business needs and can bear. The problem of arriving at fair and equable freight rates is one of the most intricate problems in the whole field. It is not merely a question of squeezing as much as possible out of the shipper. Mr. Jackman points out that probably 55 per cent. of costs of operation are constant and 45 per cent. variable. "In adjusting rates, therefore, the first consideration is to make the rates such as will pay the variable costs incidental to the carriage of the goods in question and leave as large an amount as possible to go towards payment of the constant expenses. "Unlike the manufacturer who can tell the exact cost of each step in the production process, the railway man is faced with a myriad of variable costs depending on distance, value, bulk and what not. Then he must allow for empty returns, in certain cases, and must allot the proper share of overhead to freight and passenger traffic respectively. The lowest rate that the railway can charge in any case is the extra cost of the service but this cannot be the basis of rates. In the last analysis the whole thing must be determined by experimentation, but errors are costly. "The primary purpose of the railway company is to cause the traffic to move freely and in increasing volume, and rates are made which, in the opinion of the rate making organization, will have this effect and at the same time yield the largest net income to both producers and carriers."

Freight Rates Affect Prices

An extremely interesting and important chapter in "Economics of Transportation" deals with the close relationship between rates and price levels. Naturally, an increase in freight rates means an increase in the price of the commodity carried, and freight rate changes are usually exaggerated in prices. In the case of furniture, for example, the manufacturing company pays the inbound freight on its lumber and other products, and upon that freight charge and other manufacturing costs it figures its profit in the selling of the product. The wholesaler makes it the basis of another addition, and the retailer, in like manner, adds a third profit. The original freight rate change has thus been greatly magnified in the final price. In the case of manufactured goods, it is scarcely possible to prevent this duplication. The peculiar fact is that price changes usually precede rate changes.

A phase of Prof. Jackman's book which will appeal particularly to investors and railway interests in the United States and Great Britain, is the chapter dealing with government ownership in Canada. A concise account is given of the taking over of the roads by the government, and a clear and impartial analysis is made of the Grand Trunk Pacific debenture holders' case.

Welsford General Manager of Dominion Engineering

The announcement is made of the appointment of H. G. Welsford to the position of general manager of the Dominion Engineering Works, Ltd., to fill the vacancy caused by the death of John Overn, Jr. Mr. Welsford has been assistant general manager of the company for some time and has been closely identified with its development and expansion.

As announced last week the directors of Dominion Engineering have recently declared an initial dividend of $3 on the company's capital stock. This subsidiary of Dominion Bridge has been very active for some time now, the contracts including important business for the paper companies building new plants.

Sir John Bennett

The birthday honor list, as will be seen by the official anouncement of July 3, included a K.B.E. for the Hon. John R. Bennett, colonial secretary of Newfoundland. Sir John Bennett attains his three score years on August 8 next. He is a son of the late Edward W. and Amelia Goff Bennett of St. Johns. He was educated at Bishop Feild College and started his career as a clerk in the office of C. F. Bennett & Co. in 1881. Thirteen years later he took over the business of G. H. Gaden, aerated water manufacturers; reorganized the business under the name of the Gaden Aerated Waters Co., he becoming principal shareholder and president; also organized a company and took over the brewing business of E. W. Bennett & Co., and for a number of years was managing director, and has been president of the company since its inception. Under his special guidance both of these business concerns have had a very successful career.

In 1902 he was elected a member of the city council of St. John's, heading the list of candidates in the number of votes received. In 1904, was elected a member of the house of assembly as a colleague of Sir Edward (now Lord Morris, in the district of St. John's west, having been re-elected in 1908, 1909, 1913, 1919, and retired from there in 1923 when he organized and led the Liberal Progressive party. He was unsuccessful in this campaign and was personally defeated in the district of Hr. Grace, the government of Sir Richard Squires retaining control at that time.

The following year the downfall of the Squires government precipitated another election when Mr. Bennett was returned for the district of Hr. Grace and again accepted the portfolio of Colonial Secretary with a seat in the cabinet, in the administration of Hon. W. S. Monroe. Mr. Bennett brought to this office ripe experience, for he had held the same position in the Morris administration from 1913 to 1917, at the latter date resigning the portfolio to organize and take over the first militia department in Newfoundland, with the portfolio of Minister of Militia, which he held until the conclusion of the war. He was Deputy Chief Censor of Cables and Telegraphs under the war office all through the war, and at the war's termination again resumed the portfolio of colonial secretary.

All through his career Sir John has been a prominent member of the Masonic fraternity and in 1923, on the death of the late Hon. J. A. Clift, K.C., was installed district grand master of English Freemasonry in Newfoundland by the Most Worshipful Pro Grand Master of England, Lord Ampthill, who came to Newfoundland especially for that purpose.

Saskatchewan Reports Fewer Bankruptcies

An indication of the upward trend of business in Western Canada and especially in Saskatchewan, is seen in the decline in bankruptcies. There has been only one bankruptcy in division No. 2, comprising the greater half of Saskatchewan, since March 26. This bankruptcy division includes the judicial districts of Kindersley, Kerrobert, Wilkie, Battleford, Prince Albert, Melfort, Humboldt, Wynward and Saskatoon, and extends from the northern boundary of settled Saskatchewan to parts considerably more than half way to the United States border.

Better Pack of Sockeye on the Pacific Coast

PRINCE RUPERT.—Canneries have a much better sockeye pack than at this time last year. On the Skeena about thirty thousand cases have been packed with fourteen thousand cases of springs, a thousand of cohoes, fifteen hundred of pinks, and a few chums. On the Naas the catch so far is six thousand pinks, and a few cohoes and humps. The total cases for the two rivers so far is slightly over sixty thousand cases.

A DODGE NEW MODEL

Of interest in the automobile world is the report that the Dodge Motor Co. is bringing out a new "Silent Dodge."

The new car will have a five-bearing crank shaft instead of a three, as well as many other improvements.

RAILWAY EARNINGS

Canadian Pacific

Week end.—	1926	1925	Change
July 21	$3,559,000	$3,301,000	+$258,000

Canadian National

Week end.—	1926	1925	Change
July 21	$5,134,135	$4,594,991	+$539,144

The Foreign Exchanges

Conducted by S. J. ZACKS.

The improved tone of the French franc following the announcement of an "all star" national cabinet under the leadership of Poincare was the feature in the foreign exchanges during the week. The Belgian franc and Italian lire did not display a similar strength, and Italian lire reached a new low at 3.16c. The rise of over $.60 in the franc was due in part to speculative forces which have forced the franc up almost invariably with the incoming of every new ministry, and secondly to the heavy buying of the French franc by the government which has been converting the $30,000,000 balance of the Morgan loan to French francs for the relief of the Treasury. In spite of the apparent strength of the French franc, many weakening evidences are in sight, and New York bankers are still very skeptical. "Spot demands" are quoted about three points below cables, while the discount on 30 day futures is over 10 points below spot.

True, Poincare's triumph in the lower chamber was an emphatic one. Yet are the proposals and remedies sound? Poincare is now definitely opposed to the establishment of foreign credits for the stabilization of the franc if they can be avoided. This opinion is held by the majority of the cabinet. Poincare hopes to stabilize the franc by assuring a balanced budget. New taxes on luxuries, rigorous economies, limitation of note issue, are a few of the planks in the government programme. Are these in themselves sufficient to stabilize the franc and restore confidence to the French public? Will the drive on the national treasury be halted? and will the maturity short time obligations be renewed rather than reimbursed for? It is all a matter of confidence in the stability of franc, and I would say that a budget cannot be balanced until your currency is stabilized. France has external obligations. It will be more difficult to provide for them by taxation, when the price of the franc is not stabilized and is unknown in advance. Poincare is sidetracking and postponing the ratification of the American and British debt settlements. Poincare has provided no definite basis at which the franc will be stabilized. The whole matter of confidence on the franc depends upon a stabilized franc. Poincare's policy is based upon a hope, namely that if the budget is balanced the foreign exchange will naturally improve. Poincare claims that he will balance the budget, not in theory alone, but in fact. In the meantime, a lot can happen in France. It is doubtful whether the Washington settlement will ever be ratified, and when it comes up again what an opportunity for the Reds. How will Poincare provide against this? Although it appears that Britain has intimated that she will afford relief, can she assume a lone hand, and will she come through in a big enough way? The British experience with France has not been a happy one. Can she afford to take another chance alone? Secondly, will she do it in her present financial condition?

It is the opinion of many that Poincare is placing the cart before the horse. A balanced budget in itself will not stabilize the foreign exchange, and that is not the first move. France can raise foreign loans by placing a mortgage on her industries as Germany did. A loan returned by a mortgage on natural monopolies such as her telephones and telegraphs, or her publicly owned railways is not beyond reason. At any rate it is the opinion of many that the prime essential — a stabilized currency — can only be achieved by providing foreign credits first. Poincare is opposed to this.

The French Cabinet is a team of stars, including as it does, not less than six former premiers. Will they be able to pull together?

Sterling, although stronger on Wednesday, continues to display evidence of weakening, and it is expected that from now to the end of the year, with the heavy seasonal imports of food and raw materials such as cotton, sterling will be easier.

Premium on Canadian funds continues strong. On Wednesday it was 3-16 per cent., which is above the gold export point; there have been no great demands for Canadian funds, and it is unlikely that the premium will start a great gold movement. Heavy Canadian borrowings in New York tourist trade and grain shipments are the principal factors making for the premium. Close to $100,000,000 was raised in New York recently by Canadian power companies for construction purposes.

NEW YORKS FUNDS

	High	Low	Last Year High	Last Year Low
July 22	5-32	5-32	1-16	1-16
July 23	5-32	5-32	1-16	3-32
July 24	5-32	5-32	3-32	1-8
July 26	5-32	11-64	3-32	1-8
July 27	11-64	11-64	1-8	1-8
July 28	11-64	3-16	1-8	1-8

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
July 22	4.85 15/16	2.24¼	3.24½
July 23	4.86	2.34½	3.26½
July 24	4.86	2.45	3.30¾
July 26	4.85 23/32	2.46¼	3.27¾
July 27	4.85⅞	2.49½	3.21
July 28	4.86	2.38½	3.22¾

FOREIGN EXCHANGE

Par		July 21	July 28
19.30	Italian	3.25	3.28¼
23.82	German	23.77	23.78
32.45	Brazil	15.31	15.32
19.30	Belgium	2.26	2.43½
94.85	Japan	47.20	47.16

CANADIAN EXPOSITION IN NEW YORK PUSHED BY PROMOTER

(Continued from Page 1)

necessary to get the Dominion government to put in a display. It is understood that Ottawa was approached, but The Financial Post learns from that city that the government decided it could not participate in an exposition run by a private individual. This decision was taken despite the reported offer of free space to the Dominion government.

Failure of the Dominion government to participate put a crimp in Wendell's plans, but he has evidently decided to go ahead without the Dominion support, and is now looking for revenue from Canadian manufacturers and railways. The railways have not, so far as can be learned, signified their intention of using space, while some of the manufacturers are stated to take the view that there is no use in exhibiting their goods in the United States, when the United States tariff makes it impossible to get into that market. In answer to this objection, it is said that Wendell is arranging for buyers from South American countries to be at the show to look over Canadian goods on exhibition.

The smallness of the exhibition, compared to what Canada has to offer to investors, to buyers and to home seekers, is also set up as an argument against the use of space at the high figure mentioned.

But in the meantime, the Canadian Exposition has a group of fine New York committees that are strong enough, if their members are indeed more active than honorary, to iron out most of its problems. The presence of Adolph Ochs and Louis Wiley, proprietor and managing editor respectively, of the New York Times, on these committees seems to indicate that the Exposition has the weight and influence of New York City's most powerful newspaper behind it.

THE NATION'S BUSINESS

(Continued from page 1)

pening. Hon. Mr. W. L. M. King, who represents that type in Canada, with little of a practical character in its mentality, regards, and no doubt sincerely regards a technical constitutional point on which leading lawyers differ, as the biggest problem in this general election. It is interesting that his chief supporters, outside of the professional politicians, are mainly professors of history, ancient and otherwise, in some of our universities. The latter are strong on precedents. That is their job and very useful they are in their way, when they draw the lessons that practical experience of those days taught. But as Wylie Grier, in his presidential address to the Royal Canadian Academy said, "Precedents are made for those too lazy to think for themselves."

* * *

MOST honored in usage of all political criticism, we are again hearing that there are too many lawyers in the cabinet. Somehow the public is suspicious of those who have been taught what the words in the law-books mean. The lawyers may themselves be to blame; certainly they have not failed to make legal and judicial matters a mystery; to set themselves out as a clan apart. They have frowned upon publicity and have ostracized those who would make law popular or understandable. But lawyers are not necessarily poor cabinet material. There is no better training to equip a man for success in business life than law. There is no better training for political life.

Beatty, head of Canada's greatest transportation system, rose through the company's legal department. Gary, chairman of the world's greatest industrial institution, the United States Steel Corporation, was trained as a lawyer. Graustein, chosen to lead International Paper Company to a great destiny, got his training in law.

The lawyer who understands the problems of business, is the best type of man for public life. He may gravitate there because of sincere desire to serve or because greater leisure than is accorded the average business man, gives him time to be of service to his fellow man but, whatever his motive, he has an excellent background when he attains a position of public trust.

Let us not rail at lawyers in public life; rather, let us encourage business men with legal training to make the sacrifice.

* * *

IT WOULD be a pity if we further complicated the cabinet-making problems of Canadian premiers by demanding that they divide their ministers by occupations; placing a limit upon the number of lawyers in order to allow so many merchants, so many manufacturers, so many doctors, etc., to sit around the board. The problems are great enough now, with religious, sectional and racial considerations to be considered, without adding a fourth, the occupational problem.

Even now the cabinet is coming in for criticism, because some groups fancy themselves left out. The Orangemen of Ontario are peeved because there is no leading Orangeman in the cabinet. They fear domination of the cabinet by the French-Canadian Catholics. Since most of Ontario's Orangemen are Conservative, they feel they have a right to a "representative" at King Arthur's Round Table.

At the same time, French-Canadians fear Orange domination in the cabinet. Henri Bourassa in his paper says, apropos Esioff Patenaude: "The new colleague of Mr. Meighen will have a very great deal to do to demonstrate that his sole presence in the cabinet will be sufficient to neutralize the Orange and Imperialistic Ontario."

* * *

SIR HERBERT HOLT, a leading Canadian capitalist, whose investments embrace banking, power, oil, land, paper mills, and railways in Canada is back home after a visit to England. Over there he was interviewed and according to a London paper expressed his conviction that the Dominion's greatest need was a higher tariff barrier, especially as it applies to United States imports. "Take, for instance," he remarked, "the steel trade. As things are today, Canadian steel products have to compete very keenly with American, and the result is proving to be most unsatisfactory, to put it mildly, to Canadian manufacturers. I regard this whole tariff question as one of the most vital of Canada's existing problems."

WEST'S FARMERS NOW PAYING UP THEIR INTEREST

British Mortgage Loaning Company Finds Marked Improvement

LONDON.—At the annual meeting of shareholders of the Trust and Loan Company of Canada some interesting facts about the company's position were outlined by the president, Colonel, the Hon. Sydney Peel, D.S.O., which in part follow:

The net profits for the year show an increase of about £2,500. We are able to maintain the dividend, put over £5,000 to statutory reserve fund, and £5,000 to contingencies fund. Thes results, though not perhaps very spectacular in themselves, are yet satisfactory, in that they represent further progress in the right direction after a period of great difficulty in Canada. The balance reflects the fact that lenders here have great and increased confidence in the company; the amount of our debentures has increased by about £80,000. Under the circumstances, I should prefer a rather smaller amount at rather lower rates of interest, but this is governed by circumstances not altogether within our control. On the other hand, the amount of our active business has somewhat decreased—by some £180,000.

It is pleasant to note that our arrears of interest overdue have decreased by $120,000, and that the total of our land investments shows a decrease for the first time for several years—a small one, it is true, but a decrease, and one which has been very substantially increased since that date.

If I had no other evidence to go upon, I should deduce from these accounts that I had been correct last year when I said that the tide was beginning to turn in Canada, but that our figures would continue to show traces of the storm for some time. I feel pretty confident that the improvement will continue, because this evidence is reinforced by the study of the general statistics for Canada, and also by my own personal impressions during my recent visit.

There can be no doubt that the West is recovering gradually, but steadily, from the depression of the last few years, though there are naturally left some traces of the depression. The recovery struck me as particularly marked in Regina, but it was also clearly apparent in Winnipeg. Regina has now an aspect of solidly-advancing prosperity quite remote from any boom, which is very encouraging. Three years ago all through the West the depression was so marked that no one could help noticing it. All that is gone. People no longer weep on your shoulder and talk about the good old days; they are looking forward hopefully to the future.

The Royal Bank of Canada

DIVIDEND No. 156

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Wednesday, the first day of September next, to shareholders of record at the close of business on the 31st day of July.

By order of the Board,

C. E. NEILL, General Manager.

Montreal, Que., July 13, 1926.

NOTICE OF DIVIDEND

Famous Players Canadian Corporation, Limited

Notice is hereby given that a dividend of Two Dollars ($2.00) per share for the quarter ending the 1st day of August, 1926, has this day been declared upon the First Preference Stock of the Company, payable the 1st day of September, 1926, to shareholders of record Saturday, the 31st day of July, 1926.

By order of the Board,

N. L. NATHANSON, Managing Director.

Dated at Toronto, this 22nd day of July, 1926.

Automotive Credit Corporation Limited

DIVIDEND NOTICE

Pursuant to a resolution passed by the Board of Directors of the Automotive Corporation, Limited, on Wednesday, the 21st day of July, 1926, which resolution was subsequently ratified by a General Meeting of the Shareholders of the Company, held on the same day, a dividend of 3 per cent. was declared payable on the Company's 6½ per cent. Twenty-Year Sinking Funds Gold Bonds. The Secretary-Treasurer was thereupon authorized to honor and pay at the rate of 3 per cent. the several bonus coupons attached to the bonds, which are due and payable on and after the 15th day of July, 1926, such payment to be made upon presentation of coupons at the offices of the Company in Toronto and Montreal.

F. J. BASHFORTH, Secretary-Treasurer.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after WEDNESDAY, the FIRST day of SEPTEMBER next, to Shareholders of record of 31st July, 1926.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR, General Manager.

Montreal, 20th July, 1926.

SALES MANAGER

Large manufacturer of food products with Dominion wide distribution, desires to receive applications for position of Sales Manager from experienced men from 35 to 45 years of age of capabilities of highest standard. State salary and all details which may be of assistance. Strictly confidential. Box 250, Financial Post, Toronto, Ont.

THE

Canadian Bank of Commerce

Dividend No. 158

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1926, payable at the Bank and its Branches, on and after Wednesday, 1st September next, to shareholders of record at the close of business on the 16th day of August, 1926. The transfer books will not be closed.

By Order of the Board.

S. H. LOGAN, General Manager.

Toronto, 16th July, 1926.

INTERNATIONAL PAPER COMPANY

New York, June 30th, 1926.

The Board of Directors have declared a quarterly dividend of Fifty Cents (50c.) a share on the Common Stock of this Company, payable August 16th, 1926, to Common stockholders of record at the close of business, August 4th, 1926.

Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD, Treasurer.

Business Opportunity

First class opening for young, aggressive mechanical engineer or business executive with considerable capital, in general engineering and machinery business in British Columbia. Advertiser has operated business successfully for twenty years and holds control. He desires to withdraw from active participation and desires to dispose of his controlling interest for this reason. The interest is offered at a bargain for cash. The Plant is advantageously located, the business is long established, competition is not keen and climatic conditions are pleasant.

Address Box No. 254, Financial Post, 153 University Ave., Toronto, Ont.

$19,986.32

Town of Hawkesbury 6% Debentures

Bids will be received until Monday, the 9th day of August, 1926, for instalment debentures 1926-1945 issued by the Town of Hawkesbury, according to the Town of Hawkesbury Debenture Act, 1923, to the amount of $19,986.32, bearing interest at 6%, payable annually.

Highest or any bid not necessarily accepted.

J. O. BERTRAND, Clerk-Treasurer.

DIVIDEND NOTICE

MASSEY-HARRIS CO. Limited

Preference Stock Dividend No. 3

Notice is hereby given that a dividend of 1¾% on account of dividends for the present fiscal year has been declared on the 7% Cumulative Preference Stock of the Company.

The above dividend is payable on and after the sixteenth day of August, 1926, to shareholders of record at close of business on the fifth day of August, 1926.

By order of the Board.

C. N. APPLETON, Secretary.

Toronto, July 19th, 1926.

CLASSIFIED ADVERTISING

I Can Build It For Your Paper

Have been at the classified advertising business for six years, here and across the line, and am now seeking bigger opportunity to take over department on live daily paper.

Am young and single and ready to go anywhere. I know my job, can handle men and write copy. Best of references. Experience includes Toronto and Miami papers.

Am looking for a place where I can get the business and make my own salary.

Box 248, THE FINANCIAL POST, Toronto, 2.